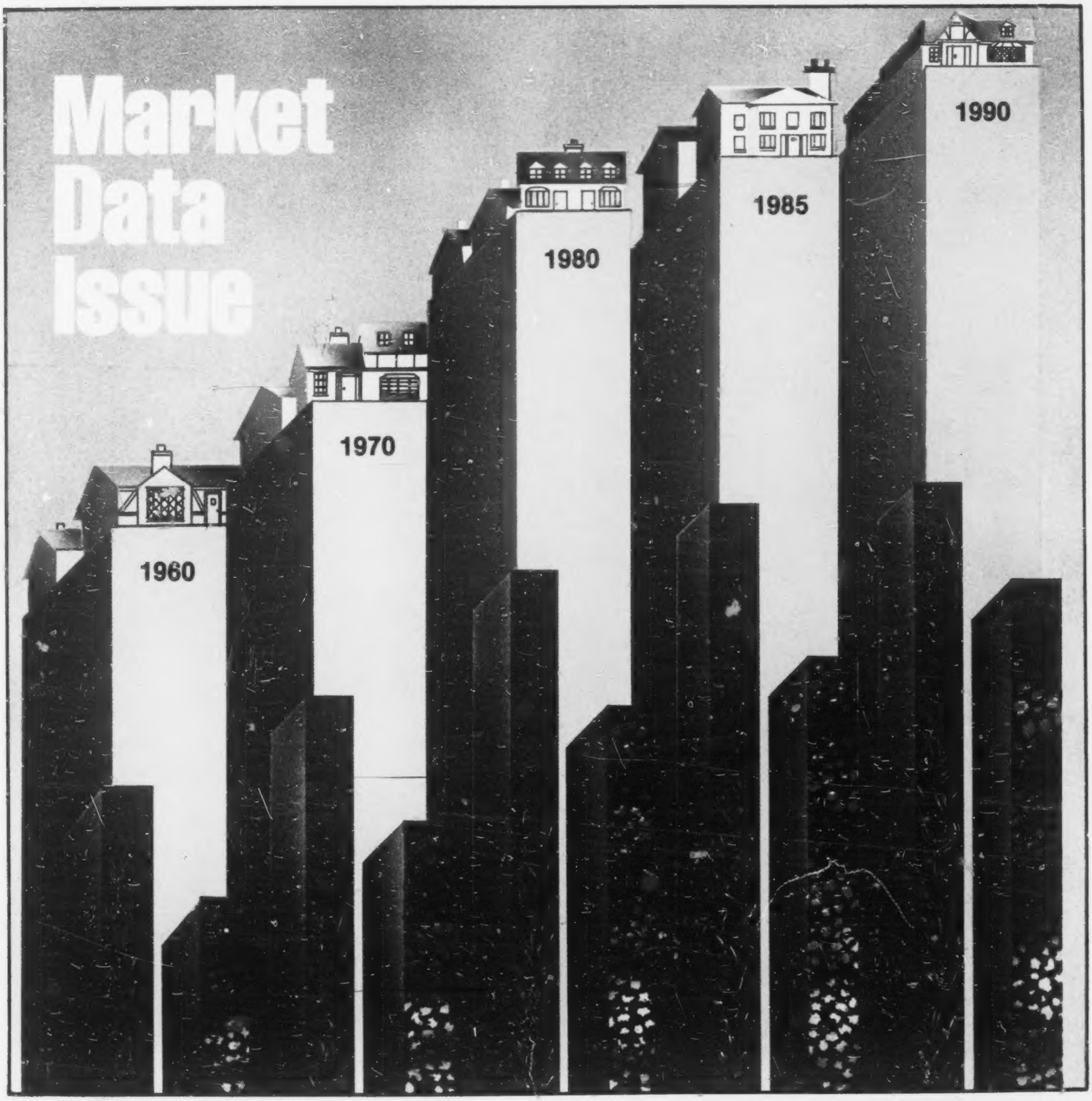
Lawn&Garden Marketing

NOV/DEC 1985

Reports on: '86 Calendar of events

ABCs of Saw Chain • Consumer profiles



Market Data Issue
1960
1970
1980
1985
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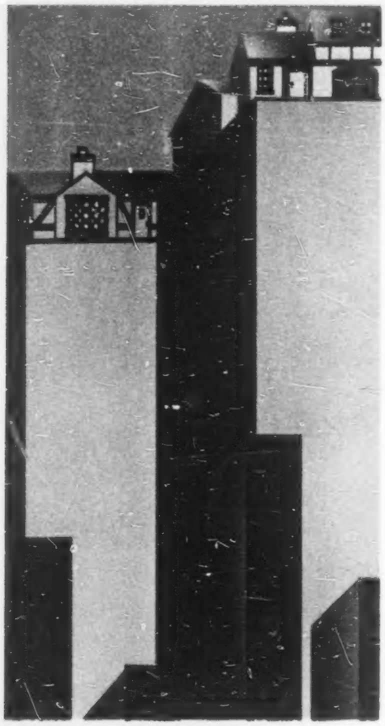
NOV/DEC 1985 VOL. 24, No. 10 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.



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Cover illustration by Anita Blattner.

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1985 Market Update: lawn and garden trendline and outlook

Preliminary data from the 1985 Gallup study of lawn and garden activities show consumer interest remains strong. Trendline shows growth linked to increased numbers of households.

By Bruce Butterfield

■ U.S. household participation in lawn and garden activities stayed at a high level this year, according to results of the recently completed 1985 National Gardening Survey conducted by the Gallup Organization for the National Gardening Assn.

In total, 84 percent of all U.S. households or an estimated 74 million households participated in at least one form of indoor or outdoor lawn and garden activity during the past year. Of the 13 major lawn and garden market segments measured in 1985, eight stayed at about the same level seen in 1984, and five saw a small decline in the percentage of households participating.

Categories of lawn care, houseplants, vegetable gardening, landscaping, fruit trees, raising transplants, berries and ornamental gardening saw no statistically significant change in the percentage of U.S. households participating. Flower gardening, shrub care, tree care and insect control each saw a small decline in participation levels.

From 1980 to 1985 the overall percentage of U.S. households participating in lawn and garden activities has not changed significantly. The annual growth in the number of U.S. households during this time period has been more important to increasing the consumer base for lawn and garden sales than a change in the percentage of households participating. In 1980, there were 80 million households; in 1985, there were an estimated 87.9 million.

Other factors that have been good for the lawn and garden industry in the last few years include a stable and improving economy that has provided the disposable income needed to sustain profitable lawn and garden retail sales.

Interest in gardening has been maintained and increased through print and broadcast media supplying new gardening ideas, good examples and how-to information, along with advertising that is effective and well-positioned.

Merchandising and industry promotion programs that have been developed and implemented recently to help motivate consumers are

continued...

Trendline: U.S. household participation in lawn and garden activities.

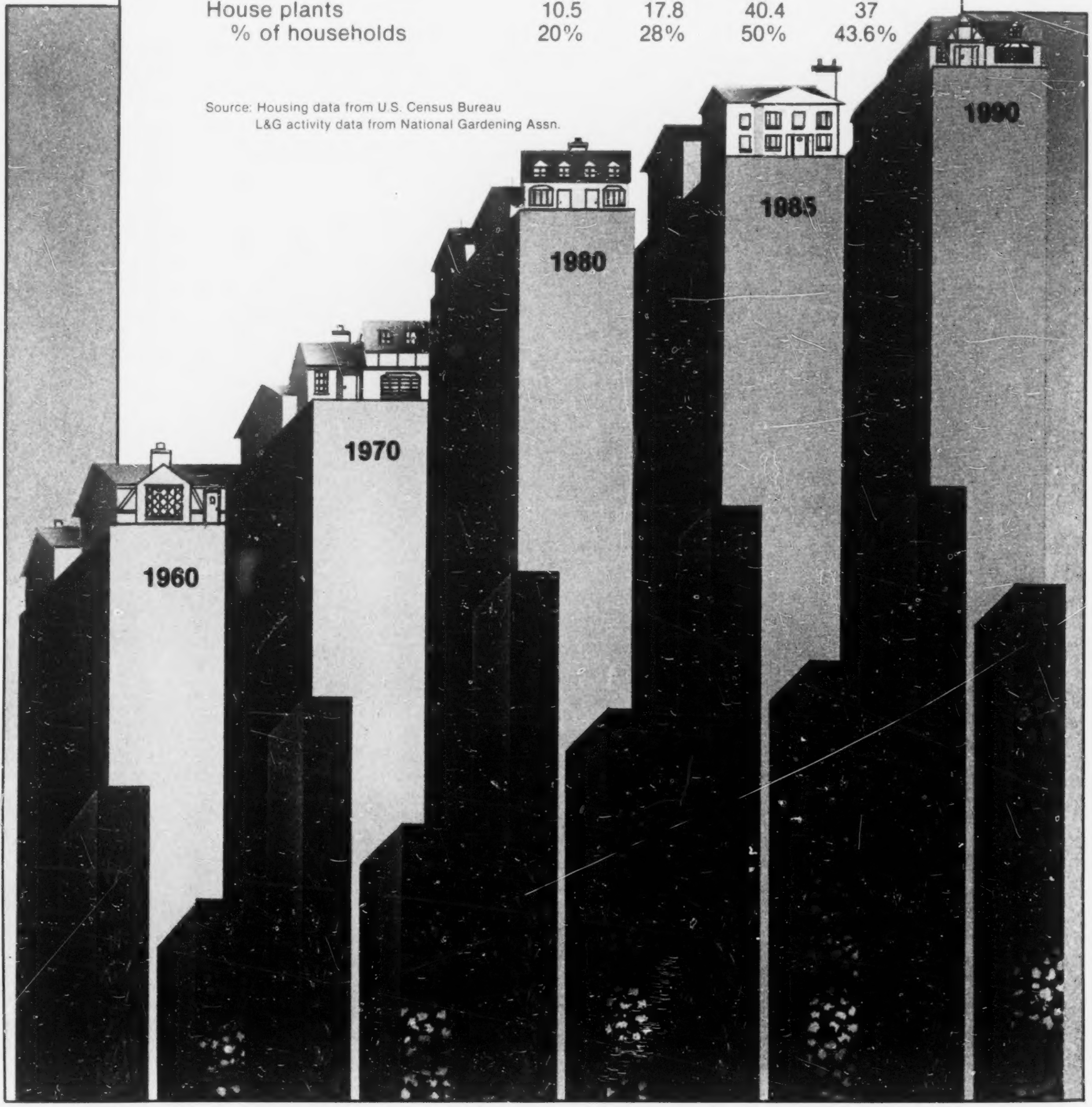
Consumer activity	1981		1982		1983		1984		1985		Average 1981-1985	
	%	million	%	million	%	million	%	million	%	million	%	million
Lawn care	65	52	63	52	63	53	63	54	64	56	64	53
Flower gardening	47	38	50	41	47	40	47	40	41	36	46	39
Indoor houseplants	51	41	48	40	43	36	46	39	42	37	46	39
Vegetable gardening	47	38	46	38	42	35	40	34	37	33	42	36
Shrub care	43	35	42	35	35	30	36	31	30	26	37	31
Insect control	na	na	39	32	32	27	38	32	27	24	34	29
Tree care	na	na	30	25	25	21	26	22	20	18	25	21
Landscaping	na	na	26	21	23	19	25	21	23	20	24	20
Fruit trees	19	15	22	18	20	17	18	15	17	15	19	16
Raising transplants	na	na	18	15	15	13	17	15	11	10	15	13
Growing berries	11	9	13	11	12	10	11	9	7	6	11	9
Ornamental gardening	7	6	10	8	7	6	9	8	7	6	8	7
Flower bulbs	na	na	na	na	25	21	27	23	19	17	24	20
Total	**84**	**68**	**86**	**71**	**82**	**69**	**83**	**71**	**84**	**74**	**84**	**71**

Source: National Gardening Assn./Gallup

25 years of industry growth

	1960	1970	1980	1985
U.S. households (millions)	52.6	63.4	80.8	86.8
Households in major L&G activities:				
Lawn care	28.9	36.1	48.5	56
% of households	55%	57%	60%	65%
Flower gardening	18.4	25.4	36.4	37
% of households	35%	40%	45%	41%
Vegetable gardening	18.4	24.7	34.7	33
% of households	35%	39%	43%	38%
House plants	10.5	17.8	40.4	37
% of households	20%	28%	50%	43.6%

Source: Housing data from U.S. Census Bureau
L&G activity data from National Gardening Assn.



Gallup

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starting to show results. And an increase in the number of retail outlets selling lawn and garden products has made existing and new products more easily available.

The lawn and garden industry should be optimistic about the future market potential for its products as a sizeable segment of the U.S. population, the "baby boom" generation, approaches middle age in the 1990s.

Marketing for baby boomers will be a featured topic in the January issue of **LGM**.

Gardening is an activity that typically appeals more to older, established households than younger ones. As the "baby boom" generation ages, it will become an even bigger consumer of lawn and garden products. Middle-aged and older consumers are currently a very significant segment of the U.S. population and should continue to be an important part of the lawn and garden picture for the next several years.

Lifestyles, values, interests

There are basically three categories of lawn and garden consumers. At one end of the market is the "Landscape Gardener." In the middle is the "Typical Home Gardener;" and at the other end is the "Just-Cut-The-Grass" gardener.

While these categories share many similarities, there are some important distinctions between the groups in terms of where they live, how much money they spend on lawn and garden activities, their lifestyles, values, gardening interests and gardening styles.

Landscape Gardeners

About one out of three lawn and garden households, or an estimated 23 million households, is in the Landscape Gardener category. Landscape Gardening households spend an average of more than $300 per household annually and account for about 50 percent of total retail consumer spending on lawn and garden activities.

Lawn and garden participation for households in this group is the highest in the country. The participation breakdown according to category is: lawn care, (80 percent); flower gardening (63 percent); indoor houseplants (60 percent); shrub care (59 percent); insect control (58 percent); landscaping (50 percent); tree care (50 percent); and vegetable gardening (40 percent).

Landscape Gardeners are most often found living in elite, up-scale, white collar suburbs or in exurban satellites and boom towns. They are educated, affluent, upper-middle and middle class families. They tend to be successful, confident, prosperous, decisive and enjoying the good life.

Many Landscape Gardeners are collectors of a variety of types of plants, demonstrate an artistic sensibility in their home landscaping, and are concerned with ecology, social issues, status and the outward appearance of their property.

Landscape Gardening households show an above average interest in garden design/planning, landscaping, growing and using herbs and perennials. A majority of Landscape Gardening households are also interested in soil preparation/improvement, basic garden care, small space gardening, weed control and planting instructions.

A typical Landscape Gardener's shopping list at the garden center includes items that provide color in the landscape, low-maintenance landscaping, unique/unusual/exotic plants, large-size bedding plants/trees/shrubs, wildflowers and native plants, herbs and specialty vegetables/fruits/berries, garden books and magazines, color bowls and container gardening, water conservative products and high quality tools/equipment/service.

Typical Home Gardeners

There are an estimated 37 million U.S. households in the Typical Home Gardener category, or about one out of every two lawn and garden consumers. A Typical Home Gardener spends about $200 annually on lawn and garden purchases and accounts for about 40 percent of total retail consumer spending on lawn and garden activities.

continued...

Sales of other lines add billions of dollars

The survey reported here shows the purchase of lawn and garden products in 1985 was an estimated $15 billion. Not included in the survey of consumers conducted for the National Gardening Assn. are some product categories which are part of the product mix for many retailers of lawn and garden merchandise.

Products for patio living, for example, are a fast-growing category. Although not handled by a majority of lawn and garden retailers, these products are very successful for some retailers. Industry estimates are that barbecue grills and accessories have a retail sales value of $1.2 billion; patio furniture and accessories have retail sales of $1.25 billion.

For the fall and winter seasons, trim-a-tree and birdfeed and feeders have become established parts of business for many lawn and garden retailers. Trim-a-tree is estimated to be an $800 million market and birdfeed and feeders more than $100 million. From the standpoint of the trade, these are part of the business, even though a consumer, when answering questions about lawn and garden, may not think in these terms.

For retailers of mowers, lawn tractors and tillers, there is also another group of products which are border-line when classifying them as lawn and garden but are a very important part of some retailers' sales pictures: chainsaws, logsplitters and snowthrowers.

Commercial and institutional accounts for lawn and landscaping maintenance equipment are also part of the total market picture and mean sales for some lawn and garden retailers, wholesalers and manufacturers but do not involve purchases by consumers.

A service which affects the entire conventional retail segment of the lawn and garden market—though few conventional retailers and suppliers offer it—is the application of fertilizers and chemicals on the consumer lawns. This lawn care industry, which has grown rapidly in the past five years, now services more than 6 million households.

The product and service is believed to be in excess of $2.5 billion, including residential and non-residential turf and maintenance as well as chemical applications.

The National Gardening Assn.

Bruce Butterfield, author of this article, is director of research for the National Gardening Assn.

Each year NGA publishes a survey conducted for it by the Gallup Organization to find out how much of the population is involved in lawn and garden activity, where, how and why.

The NGA is a member-supported, non-profit organization with headquarters in Burlington, Vt. Its 250,000 members receive the organization's monthly magazine, *National GARDENING*, which, in addition to providing basic gardening information, permits members to exchange ideas and inquiries through its pages. The organization offers a Gardening Answering Service managed by staff horticulturists.

In addition to its magazine, NGA promotes gardening through technical assistance to all kinds of community gardens -- those for the aged, disabled, young, imprisoned and other—and publishes books of help to gardeners. The group has a field office in Cleveland, at the city's invitation, and works with community gardens. In October 1985, NGA sponsored a National Seed Conference held in St. Louis, Mo.

NGA's address is 180 Flynn Ave., Burlington, VT 05401.

The lawn and garden participation level for the Typical Home Gardener is close to the national average. Their participation according to category is: lawn care (65 percent); flower gardening (48 percent); indoor houseplants (47 percent); vegetable gardening (43 percent); insect control (39 percent); shrub care (34 percent); tree care (27 percent); and landscaping (24 percent).

The Typical Home Gardener is often a middle-class, empty-nest household living in an aging suburb or retirement area. The Typical Home Gardener category also includes mid-scale families or elders living in urban areas or mid-scale, child-raising blue collar families living in remote suburbs or towns. Also, many typical home gardeners are in rural towns and villages across agrarian mid-America or in middle class, mill and factory towns.

Most Typical Home Gardeners tend to be traditional, conforming, morally conservative, family-oriented, church-goers, patriotic, sentimental, preservers of the status quo, seeking to fit in and be part of the group.

Typical Home Gardeners live in detached, single-family homes and are high participants in gardening, DIY activities, baking, needlework, or TV watching. Many Typical Home Gardeners are careful shoppers, price-sensitive and bargain-conscious.

Gardening subjects of greatest interest to the Typical Home Gardener include weed control, soil preparation/improvement, planting instructions, basic garden care, pruning, insect identification/control, plant diseases and starting plants indoors.

A Typical Home Gardener's shopping list at the garden center includes such things as bedding plant specials, replacement parts, vegetable seed, fertilizers and insect controls, easy-to-use products, garden project ideas, watering equipment and indoor plant-starting supplies.

Just-Cut-The-Grass

The last category of lawn and garden consumers is nicknamed Just-Cut-The-Grass. There are an estimated 11 million households in this category or about 15 percent of all lawn and garden participants.

Just-Cut-the-Grass households spend an average of about $85 on lawn and garden activities each year. They account for an estimated 10 percent of total consumer retail spending on lawn and garden activities.

The participation level of Just-Cut-The-Grass households in lawn and garden activities is significantly lower than any other group. The participation breakdown according to category is: lawn care (48 percent); flower gardening (33 percent); indoor houseplants (31 percent); vegetable gardening (33 percent); insect control (17 percent); shrub care (15 percent); tree care (12 percent); and landscaping (10 percent).

Just-Cut-the-Grass gardeners tend to be limited in resources, so they are driven more by need than by choice. Values center around survival, safety, security and tradition. Many are older, poor, limited in education and under-employed. Out of necessity, they are cautious buyers, highly price-oriented and most likely to take advantage of major sales. Many Just-Cut-the-Grass gardeners can be found in aging urban communities and in lower-income towns and rural areas.

The lawn and garden shopping list for these households includes only the basics.

Where they shopped

In addition to gathering information on the lawn and garden participation of U.S. households in 1985 and profiles of lawn and garden consumers, the National Gardening Survey collected data on where lawn and garden products were purchased and what consumers bought.

Some 49 percent shop at a garden center or retail nursery, 32 percent at the mass merchandiser/discount store, 29 percent at the hardware store, 19 percent at the supermarket/drug store, 17 percent at the seed/feed store, 15 percent at the home center and 9 percent by mail-order.

When asked about the lawn and garden products they purchased in 1985, 63 percent bought fertilizer, 58 percent flower/vegetable/grass seed, 42 percent nursery products, 43 percent insect controls/chemicals, 39 percent indoor houseplants and supplies, 32 percent pots/plant containers, 27 percent garden tools, 25 percent soil amendments/mulch, 24 percent watering equipment, 14 percent lawn and garden power equipment, and 9 percent garden books. □

Tonnage of non-farm use fertilizer
(for year ending June 30, 1984)

State	Total fertilizer distributed	Non-farm specialty packaged	Percent of total
Alabama	899,254	21,132	2.35
Alaska*	9,212	200	2.17
Arizona*	291,496	29,295	10.05
Arkansas	882,693	4,520	0.51
California	4,126,504	208,347	5.05
Colorado	543,262	24,755	4.56
Delaware	88,168	1,238	1.40
Florida	1,984,556	170,264	8.58
Georgia	1,913,198	2,785	0.15
Illinois	4,193,039	46,396	1.11
Indiana	2,625,308	30,000	1.14
Kansas*	1,330,877	78,882	5.93
Kentucky	998,895	4,497	1.45
Louisiana	723,517	21,564	2.98
Maine	91,951	3,297	3.59
Massachusetts	48,171	6,350	13.18
Michigan	1,485,588	20,766	1.40
Minnesota	1,805,405	11,266	0.62
Mississippi	869,543	11,134	1.28
Missouri	1,568,742	11,742	0.75
Montana	464,735	1,768	0.38
Nebraska*	1,474,682	12,218	0.83
Nevada	29,829	12,322	41.31
New Jersey	230,646	68,023	29.49
New York*	604,992	72,599	12.00
North Carolina	1,742,674	13,893	0.80
North Dakota	551,078	5,511	1.00
Ohio	1,855,900	27,838	1.50
Oklahoma	796,235	15,249	1.92
Oregon	484,703	9,217	1.90
Pennsylvania	513,636	69,417	13.51
Rhode Island	23,663	12,767	53.95
South Carolina	701,822	24,563	3.50
South Dakota**	418,840	4,300	1.03
Tennessee	721,081	5,123	0.71
Texas*	2,394,591	110,830	4.63
Virginia	746,962	37,862	5.07
Washington	869,317	.....	.....
West Virginia	51,721	5,015	9.70
Wisconsin	1,519,359	32,925	2.17
Wyoming**	137,659	1,364	0.99

*Data from reports of year ending June 30, 1983
**Data from reports of year ending June 30, 1982

Connecticut, Hawaii, Idaho, Iowa, Maryland, New Hampshire, New Mexico, Utah and Vermont did not make reports of fertilizer distribution for fiscal 1982, 1983 or 1984.

Source: Association of American Plant Control Officials

Fertilizer usage estimated for 1984

■Looking at the distribution of fertilizer state by state is one barometer to help measure the sales activity of retailers serving the lawn and garden market. Like weathermen use the barometer to help forecast the weather, marketers looking at the fertilizer industry should use the shipment data gathered by the Association of American Plant Food Control Officials as a similar tool.

Each year, through the National Fertilizer Development Center, the AAPFCO gathers information from the fertilizer regulatory officials in each state. Although results indicate that the non-farm fertilizers are only about 3 percent of the total fertilizer distributed, the center estimates the percentage to be closer to 6-8 percent of the total.

Simply translated, this means more than 2.1 million tons of non-farm specialty packaged fertilizers were distributed in 1984.

Although a high percentage of this tonnage goes onto home lawns and gardens in one form or another, fertilizer industry officials are not prepared to say how much of the total is for lawn and garden purposes because non-farm fertilizers are also used on golf courses, sports fields, cemeteries and as de-icers on airport runways.

Furthermore, the center does not attempt to translate the tonnage figures into manufacturer dollars nor dollars at the retail level. (For one estimate, however, see chemical data, page 34.) And comparing the estimated tonnage distributed for this industry is further complicated by the fact that not all states respond to the association's request for information.

Since the percentages of the total do not greatly vary from year to year in each state, however, the percentages serve as one tool to measure the industry.

The latest figures available, released by the center for the year ended June 30, 1984, show Illinois and California as the biggest users of all fertilizers, with more than 4.1 million tons distributed in each state.

In the accompanying table, the figures reported by each state for the total tonnage of fertilizer distributed and the tonnage of non-farm, specialty, lawn and garden packaged fertilizer distributed are listed. Figures are for the year ended June 30, 1984, except where indicated.

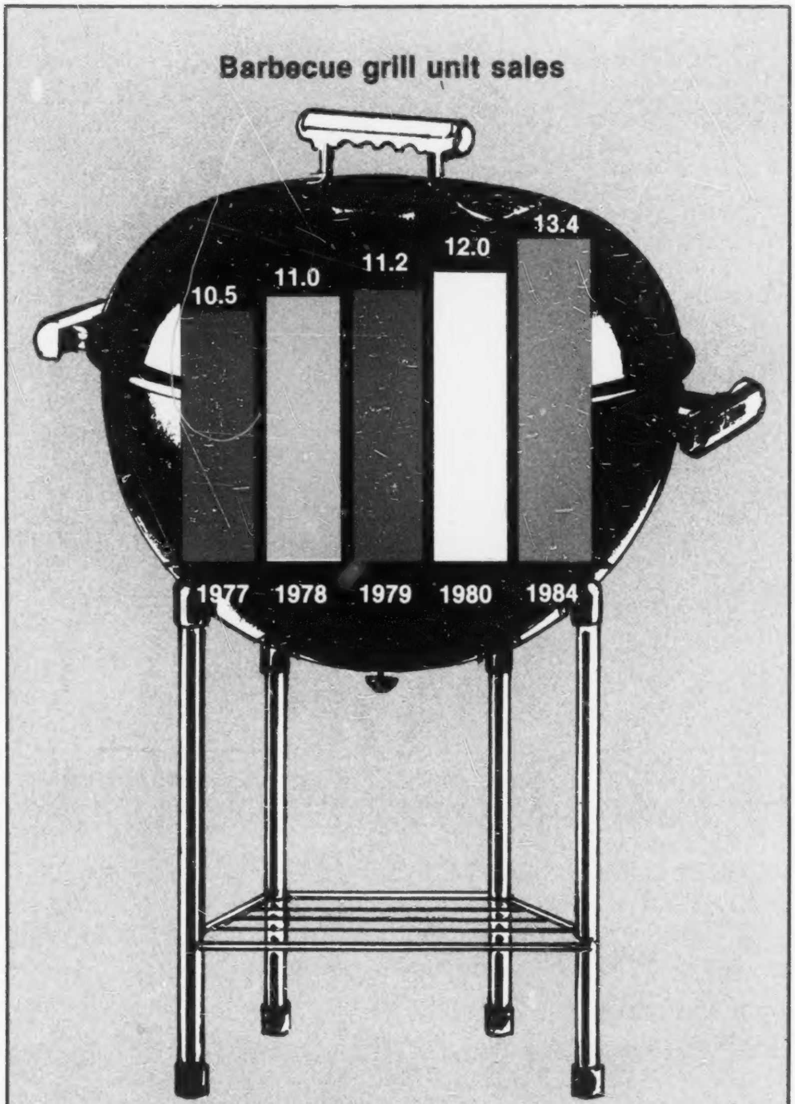
When information was not available for 1984, the reports from the years ended June 30, 1983, or June 30, 1982, have been included to give a general indication of the fertilizer use in those states. No figures are listed for any state for which there was no report in any of the three years. The national Fertilizer Development Center is part of the Tennessee Valley Authority, Muscle Shoals, Ala. ☐

BIA reports grill sales up

■The Barbecue Industry Assn. is projecting retail sales of barbecue grills will reach $570 million in 1985, another record year for the industry.

"We are predicting increased sales," said Arthur Seeds, president of the BIA. "The weather factor, consumer demand, discretionary dollars and demographics were all in our favor this year."

The BIA assembles grill data yearly from confidential reports submitted by U.S. grill manufacturers. Totals for the 1985 fiscal year, which ended Aug. 31, will be calculated by the association and made available after Dec. 1. Results will be printed in an upcoming issue of **LGM**.



Source: Barbecue Industry Assn.

The BIA is projecting retail sales of grills and accessories at $1.2 billion for 1985. This figure can be broken down to include retail sales of charcoal briquets at $418 million, barbecue grills at $570 million, lighter products at $143 million and tools and equipment at $31 million.

For more than three decades, the barbecue industry has recorded continuous, uninterrupted sales growth, with gas grills and accessories capturing large shares of the market recently. Some are saying, however, that 1985 sales figures will reflect a resurgence of interest in charcoal grills.

Estimated sales for charcoal, gas and electric grills reached an all-time record in 1984 of 13.3 million units, a unit increase of 300,000 grills from 1983.

The estimated 1984 unit dollar sales for manufacturers were $392.6 million, an increase of $28.9 million from 1983. All data is for fiscal periods ending Aug. 31. Dollar sales for those years represent values at the manufacturers level.

Estimated data is included for all non-reporting manufacturers who sold grills in 1983 and 1984. A total of 58 U.S. grill manufacturers were included in the 1984 data base. Figures do not reflect imports nor smaller units from small U.S. manufacturers.

According to the BIA, some 180 million people in 66 million U.S. households barbecue. The association calculates about 125 million grills are presently owned by U.S. barbecuing families—nearly two units per barbecuing household.

BIA forecasts for the next decade show a market for about 140 million grills and 16 billion pounds of charcoal.

The BIA is located at 710 East Ogden, Ste. 113, Naperville, IL 60540, (312) 369-2404 or (312) 369-2406. ☐

Patio industry sees continued growth

■The Summer and Casual Furniture Manufacturers Assn. (SCFMA) estimates that U.S. manufacturers shipped $782.5 million in casual furniture in 1984. Estimates are based on benchmarks supplied by the U.S. government in the 1982 Census of Manufactures and figured on a 27 percent increase across the board.

In the metal outdoor furniture category, manufacturers shipped in excess of $344.4 million of tubular aluminum, $103.0 million of wrought iron and $59.4 million of other metal and metal not specified.

In the category of wood furniture, including redwood and director's chairs, 1984 shipments were estimated at $126.8 million. In the category of reed, rattan and wicker, shipments were estimated at $110.8 million. And in plastic, PVC and resin, shipments were estimated at a value of $38.1 million.

Estimates are based solely on domestic shipments. Though imports are not included, they are substantial in some categories. According to Martin J. Reddan, director/management and information services for SCFMA, the association estimates that in 1984 "about $90 million of plastic, resin and PVC at manufacturers invoice (were shipped), if you count imported goods."

In all, the casual furniture industry is experiencing growth, which William Brown, second vice president of SCFMA, attributes to increased demand for housing, lowered interest rates, a stable economy, lower unemployment, increasing affluency and the quest for quality lifestyles.

Furthermore, according to a report in the industry publication of SCFMA, the National Home Builders Assn. has estimated that 90 percent of all new homes, both single- and multi-family, include at least one outdoor living area. The report indicates "the mushrooming of outdoor living space points to a vast growing market with accelerated consumer interest and demand for outdoor furnishings." □

Casual furniture
($ value of manufacturers shipments in millions)

Category	1982	1984
Metal outdoor furniture		
tubular aluminum	$271.4	$344.4
wrought iron	81.2	103.0
other metal	27.0	34.3
metal, not spec.	19.8	25.1
Wood outdoor furniture	99.9	126.8
Reed and rattan	87.3	110.8
Plastic, PVC & resin	30.0	38.1
Total	$616.6	$782.5

Source: Census of Manufactures and Summer and Casual Furniture Manufacturers Assn.

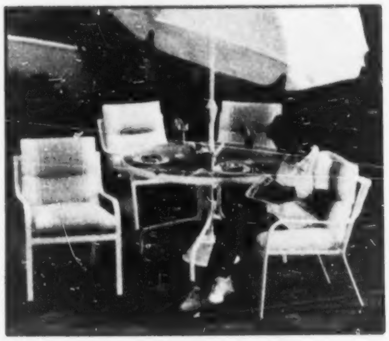


Photo courtesy of Omni Duralite

Lawn & Garden
OFF BRAND SPECIALS

Joe's Lawn & Garden

It shouldn't be the very last!

Can offering a vast range of brand names automatically spell disaster? Of course not! But we've been around the business long enough to know there's a fine line between having too much "show" in your showroom and having too little "go" in your stockroom.

Because without a well-planned mix of funding, credit lines can run O-U-T! Credit lines your inventory needs to keep up with all the brands, models and innovations that come along.

When it comes to ensuring enough funds among financing sources, the lines aren't so fine. From those who simply give you a cold-hearted number, to Borg-Warner Financial Services. With professionals who've helped build the industry, BWFS makes sure credit lines will accommodate new models, products, manufacturers' specials and even set credit lines for show versus regular orders. And, when buying from many manufacturers, we especially watch out for excessive creditors that can strangle borrowing power.

In short, we take the long view that floor planning can be a tool for planning ahead. To make financing pay off.

So rather than the last thing you think about, perhaps who finances your inventory should be the next thing you *do* something about. A call to 1-800-BWAC-USA will be a good beginning.

Borg-Warner Financial Services

Circle (18) on Reply Card

Wholesalers report chemical sales up

Major formulators change strategies, and distributors predict continued sales increases.

By Steve Trusty

■Distributors of wholesale lawn and garden chemicals are reporting substantial gains in 1985 over 1984 sales to retailers, and are projecting even better gains in 1986. This information was obtained from an **LGM** survey just completed.

Though 1985 saw an 18.8 percent change in median dollar sales to retailers, according to distributors 1986 should produce a positive 31.8 percent change over 1985, a 56.6 percent change over the two-year period.

Though many distributors indicated they will be dropping certain lines of chemicals in 1986, they still expect substantial sales gains. How do they plan to realize such gains?

Some distributors are dropping lines primarily to cut their SKUs. They feel that they can put more effort into fewer lines and be more profitable. Many distributors are also stocking the majority of the products in one or two lines and just selecting certain products from several other lines to satisfy demand in their local areas.

Wendell Butler of Wendell Butler Supply in Fort Lauderdale, Fla., explains, "No one national line can adapt itself to local needs." Butler and others say that the national firms gear their lines to what sells to the majority of the people across the country. There are many smaller regional companies that adapt their lines to the regional problems. Because they are smaller, they run products in smaller batches and can package products that may only fit a relatively small local market. The local problem may be very important to those experiencing it, but too small to be of interest to a major national company.

Sales to retailers

Billings	1984	1985	Projected 1986
Less than $1,000M	36.2%	31.9%	23.4%
$1,000M to $4,999M	42.6	42.5	40.4
$5,000M to $9,999M	8.5	8.5	17.0
$10,000M or more	8.5	12.8	12.8
Did not handle chemicals	2.1	--	--
Not given	2.1	4.3	6.4
Median annual sales =	$2,120M	$2,520M	$3,320M

% = Percent of respondents
Source. 1985 **LGM** Survey

In the survey, distributors were asked to indicate which of the 14 chemical lines, private label line or other brand line they carried in 1984, in 1985 and planned to carry in 1986. Only two brands, Chacon and C&J Enforcer, increased in percentage of distributors planning to carry the lines in 1986.

Jeff Matera, vice president and general manager of Chacon, says that Chacon's increased promotional efforts are having a positive effect on its sales. He also says that Chacon is becoming more aggressive and providing better service. Matera feels that these factors are very important to future growth. Chacon was primarily marketed in California, but it is carefully expanding from that "local" market.

While some distributors will not be carrying Ortho because they own an equity interest in other brands, some distributors are dropping brands in favor of Ortho. A spokesman for Ortho says that less than 5 percent of their former distributors will not be carrying Ortho.

The majority of distributors

continued...

talked to felt that Ortho's new contract was a wise decision. One distributor reasons that Ortho will benefit by selecting distributors who back their line and promote Ortho and by eliminating distributors who only used Ortho as a door-opener with intent to sell competing lines. "I feel the decision will give Ortho an even stronger position in the marketplace," he says. "We will promote, merchandise and definitely increase their business in our market with much more vigor than we have in the past."

Another distributor says he'll put "more emphasis on independent merchant sales with Fertilome, H-Yield and American, while dropping Ortho products."

Some distributors are concerned about one brand dominating their business. They feel as if they are "putting all their eggs in one basket." A major emphasis shift by that company could leave them out on a limb with no adequate backup. For this reason, many distributors are selling at least one line that is secondary to their major one.

Some of the concern over future direction of companies was probably fueled by some talk in the marketplace that Chevron Chemical Co. was evaluating the possible sales of non-core businesses in order to reduce medium-term debt that resulted from the acquisition of the Gulf Oil Co. In a letter on Sept. 26, Dan Hogan, vice president and general manager of the Ortho Consumer Products Division, informed distributors that the evaluation was complete. "It has been decided that Ortho Consumer Products will not be sold or divested," said Hogan. "It will continue to be a significant unit of the Chevron Chemical Co."

Curtis Clark of Esco, Ltd. in Corpus Christi, Texas, says that the distributor needs to do a better job of assisting his customers with merchandising. Other distributors also have stressed that the way to increase profitable business is not to cut prices but to increase services that will help the retailer sell more.

Clark says that it is important to help the retailer use co-op dollars to the optimum, and several distributors are providing circular programs for their dealers to help.

Kenco's acquisition strategies

A company that has made great strides the last two years in lawn and garden chemicals is Kenco Corp. Kenco started out as the Rid-A-Bug Co. In 1984, it purchased three other brands, Bag-A-Bug, Hot Shot and Spectracide. On Oct. 8, 1985, it purchased the No-Pest Strip brand from the Texize Division of Dow Chemical Co.

Tom Sapinski, senior vice president of sales and marketing for Kenco, says that one of the reasons for the acquisitions was to expand specific product lines both regionally and across distribution channels.

Rid-A-Bug was distributed primarily in the southeastern United States. The purchase of Bag-A-Bug in the Northeast expanded the Rid-A-Bug line to that area in the traditional lawn and garden outlets, as well as to the food stores.

The Hot Shot line was strictly a food store line in the Southeast and Southwest. Its acquisition opened the door for the other products. And Spectracide customers are now prime contacts for the Hot Shot and No-Pest lines.

Says Sapinski, "We now have the third largest consumer insecticide company in the country, behind Johnson's Raid and Chevron's Ortho." And other acquisitions are planned, according to Sapinski.

Sapinski believes there are definite advantages to distributors and retailers who can buy several brands from one source. The 1986 Kenco advertising budget of $6-8 million is going to create a demand for the various brands, says Sapinski. A distributor or retailer can have the product on hand for the consumer who needs it, without having to buy large quantities of one item in order to buy economically.

Even though some of the product lines have been sold direct to some large accounts, Sapinski believes that the regular channels of distribution in the lawn and garden industry are very important to them. "This is true not only for our present plans but for the future," he says.

Sapinski says a lawn and garden retailer can offer customers a product that has traditionally been sold only in grocery stores. The advertising Kenco or Raid or other companies plan, he says, "is for the consumer and is designed to get them to buy a brand. If the customers are in the garden center and see a recognized product, they'll pick it up. If it isn't there, they may not think about it until they are in the grocery store."

1986 outlook

Overall, lawn and garden chemical sales are expected to increase in 1986, according to the survey. Whereas in 1984 only 17 percent of the responding retailers indicated they billed retailers for more than $5 million in lawn and garden chemical sales, 21 percent indicated the same in 1985. And some 30 percent are expecting more than $5 million in billings in 1986.

Still, there are some mixed attitudes among distributors. In talking to individual distributors there are many variables to take into consideration. One comments, "Consumers seem to be more and more reluctant to use chemicals. With distributors competing in a shrinking market, profits are being squeezed."

David Phillips, secretary-treasurer of Simmons & Mount, Cranbury, N.J., believes that sales in their area will increase substantially because they are in a growing market. The area is expanding rapidly, new houses are being built, more people are moving in, and more chemicals will be used. In the Midwest agricultural areas that have been hard hit, sales will probably be reduced.

Another factor to consider is the cost and time it takes to label a new product. It will be easier for a company to grow by acquisition because new products are too costly.

The big companies are going to get bigger. Some of the smaller companies are going to be acquired. The distributor and retailer are going to have to be better attuned to what the consumer wants and do a better job of supplying it to stay profitable in the year ahead. □

Snowthrowers up and down

Photo courtesy of John Deere

■What is the outlook for snowthrower sales in 1986 and beyond? It's a market that is as predictable—or as unpredictable—as the weather. The snowthrower market is one that is more dependent on heavy snowfall than on any other factor.

The Outdoor Power Equipment Institute reported that shipments in 1984 were at the 348,000-unit level, a considerable increase over shipments of 264,000 units in 1983.

The FOB factory shipment value of the years 1983 and 1984 was $91 million and $122 million respectively. The high points and the low point for snowthrowers in the past 10 years were 1979 and 1980 for high points, 1982 for a low point. There were 1.1 million units shipped in 1979 and 1.6 million in 1980, with FOB values of $250 million and $397 million.

The low point in the 10-year period was the 1982 model year when only 95,000 snowthrowers were shipped with an FOB value of $27 million. But 1982 was the only model year since 1961 that shipments of snowthrowers had dipped below the 100,000-unit level; shipments totalled 173,000 units in 1962, the first year that they exceeded the 100,000-unit level.

In 16 of the years 1962-1984, shipments exceeded 200,000 units, and in two of those years, they were over the 1-million-unit mark. The model year for snowthrowers is March 1 through the end of February. The model year for all other products of the OPEI members is Sept. 1 through Aug. 31. □

Snowthrowers
(12-year shipments)

Model year	Unit shipments	$ values (millions)
1974	227,253	$ 32.3
1975	156,800	34.8
1976	165,434	36.8
1977	267,950	60.0
1978	416,000	94.3
1979	1,118,000	250.0
1980	1,577,000	397.0
1981	344,700	98.0
1982	95,000	27.0
1983	264,000	91.0
1984	348,000	122.0
1985	421,000	144.0

Source: Outdoor Power Equipment Institute. (Model year is March 1 thru February.)

Tiller shipments continue decline

■The only lawn and garden product category which has consistently experienced declines in shipments is walk-behind tillers.

Tiller shipments enjoyed a gradual increase from 1962, when there were 317,264 units shipped, until 1972, when the numbers sharply increased each year, until 1975, when they reached the 1.2 million-unit mark.

Then tiller shipments began gradually declining; down to 667,000 units in 1980, 408,000 units in 1983 and 399,000 units in 1984.

The dollar value, however, has not fallen proportionately. The increase in the number of higher-priced, rear-tine tillers boosted the 1984 FOB value of the tillers to $197 million, compared to $132 million in 1983 although fewer units were shipped in 1984.

Rotary tillers
(12-year shipments)

Model year	Unit shipments	$ values (millions)
1974	845,000	$111.0
1975	1,200,000	205.2
1976	780,000	135.8
1977	633,000	109.7
1978	571,000	116.2
1979	571,300	125.0
1980	667,000	159.0
1981	501,000	138.0
1982	497,000	143.0
1983	408,000	132.0
1984	399,000	197.0
1985	392,000	*

*Not available
Source: Outdoor Power Equipment Institute

The tiller market growth of the 1970s was linked to public alarm over increased costs of food at the supermarket, which in turn was linked to increased energy costs.

However, growth in the number of gardeners tapered off, and even turned downward, as the energy crisis leveled off and prices of food stopped climbing; many would-be gardeners found the discipline of gardening too demanding or found that actual savings from raising their own produce was minimal.

Surveys by the National Gardening Assn., meanwhile, have shown that the average income of vegetable gardeners is higher than it was 10 to 15 years ago, and a new generation of gardeners grow their own produce to ensure fresh, healthy vegetables rather than as a way to save on grocery bills. □

SELLING IMPORTS

New data from a 1985 *LGM* survey shows imported tools and power equipment are penetrating the U.S. market.

By Wendall J. Burns

■Some imported lawn and garden products are included in the inventory of 56 percent of the retailers serving this industry.

Imports are important to a significant segment of the power equipment specialty retailers. More often than not, quality, rather than price, is the major factor in their decision to sell imports. For multi-department stores and hardware/home centers, however, price is more often than not the major factor in their decision to sell imports of garden tools and watering products.

These are some of the findings in a survey just completed by **LGM.** The data relates to the sale of whole goods and does not include imported engines or other components or materials for manufacturing the merchandise. Nor does it reflect the products manufactured overseas but branded with the name of a U.S. manufacturer.

The accompanying table shows the relative importance of five product categories to four classes of retailers handling lawn and garden merchandise.

Eighteen percent of the power equipment specialty retailers handle imported walk-behind mowers. The data shows that for them, imports are 52 percent of the walk-behinds they sell. Imported spin trimmers are also much more significant for the OPE specialty dealers than for multi-department stores or hardware/home centers.

Imported spin trimmers are handled by 89 percent of these independent OPE dealers, and the data shows that their inventory of spin trimmers is almost all imported. Quality is the factor cited much more often than price, according to the information from retailers of imported spin trimmers.

The imports are not a big part of the garden centers' inventory—only 15 percent of them sell imported sprinklers and accessories, for example; and only 23 percent sell other imported garden tools.

The accompanying table shows that the percentage of the volume of the watering products and tools is relatively low in all categories of retailers. Other sources have reported an increased volume of imported tools in recent years, especially at mass-merchandisers and hardware/home centers. Often, it is said, these retailers are seeking sources of low-price, short-handled tools. But looking at the other end of the quality spectrum, some retailers import uniquely designed, quality items made of stainless steel or other durable materials to offer their customers some top-of-the-line tools or watering products.

For many of the retailers responding to the survey, the topic of selling imports is an emotional issue as well as an economic one. They would prefer to be selling American-made products, but pressure from competitors who offer the same product, or a better product at a lower price, causes them to search the world for products they can sell at a profit and with confidence.

Those who are handling imports, for the most part, believe that importing will be a long-term phenomenon. But those who sell only domestic merchandise often do not agree, and by their comments, there is no indication they will jump on the import bandwagon. ☐

Imported products

(% of respondents selling)

Product Categories	Total L&G Retailers	Multi-Dept. Stores	Garden Centers	Hdw./Home Centers	Power Equip. Dealers
Spin trimmers	29.9%	17.1%	8.8%	8.1%	58.3%
% of inventory	98.8	*	91.7	100.0	100.0
Chainsaws	29.6	12.2	9.4	8.8	57.4
% of inventory	85.0	*	92.5	100.0	81.7
Rakes, hoes	15.7	34.1	20.1	26.5	3.7
% of inventory	24.0	55.7	22.5	20.4	*
Walk-behind mowers	9.2	2.4	4.4	1.5	17.8
% of inventory	52.5	*	*	*	51.7
Sprinklers & accessories	8.7	17.1	14.5	11.8	2.1
% of inventory	26.3	*	26.3	20.0	*

*Percent statistically insignificant

Source: LGM summer 1985 survey

Look for: "Exports/imports: a closer look" in the January 1986 issue for more information and insights gathered from an **LGM** survey and other sources.

Product Movement Report

summer 1985

■Although all nine product categories showed higher sales during summer 1985, the sales growth for replacement parts, walk-behind mowers and riding mowers and lawn tractors seems to have slowed, according to a survey conducted by **LGM.** The data covers the 1985 summer season.

More retailers showed increased sales in these three categories than showed decreased sales, but the percentage reporting increases was considerably down from a year ago.

About 40 percent of the retailers responding indicated sales of replacement parts were up. During 1984, 69 percent of retailers indicated increased sales of replacement parts.

The percentage of retailers reporting increased sales of walk-behind mowers in each year was similar with 32 percent reporting better sales in 1985 and 39 percent showing increased sales in 1984. In 1985, 15 percent of retailers said sales decreased. The Northeast showed the strongest sales increase.

For riding mowers and lawn tractors, 26 percent of retailers reported increased sales, and 12 percent said sales decreased. In 1984; 39 percent of retailers said sales increased.

Retailers also reported more increases than decreases in sales in the other six categories, although the percentages did tend to be lower than a year ago.

About 20 percent of retailers reported sales of garden tools inceased, while 7 percent said sales decreased.

The percentage of retailers who indicated increased sales of watering equipment in the Northeast, North Central and South was slightly lower than the 19 percent reported nationally. Almost 10 percent of retailers, nationally, said sales decreased.

About 16 percent of all retailers of rodenticides said sales increased. Less than 4 percent said sales decreased. This is the first year that rodenticide sales were included in the Product Movement survey.

Nine product lines measured

		TOTAL %	NORTHEAST %	N. CENTRAL %	SOUTH %	WEST %
Garden tools	Up	20.4	23.3	16.5	18.2	31.2
	Same	38.2	23.1	36.0	44.7	37.6
	Down	6.8	3.1	7.1	8.8	7.8
Watering equipment	Up	19.2	17.8	17.8	18.9	27.3
	Same	25.1	18.6	26.7	25.1	31.1
	Down	9.5	13.2	7.5	12.6	2.6
Rodenticides	Up	16.1	17.8	16.0	14.5	16.9
	Same	27.5	20.9	28.6	31.4	27.3
	Down	3.5	1.6	5.2	2.5	3.9
Herbicides	Up	20.1	22.5	18.3	16.2	24.7
	Same	25.8	26.2	23.5	27.0	28.5
	Down	5.8	4.0	8.0	5.7	3.9
Insecticides	Up	27.0	33.3	24.9	25.2	26.0
	Same	24.6	21.8	21.6	27.7	31.1
	Down	4.7	2.3	6.6	5.0	2.6
Walk-behind mowers	Up	31.9	37.2	28.1	33.3	29.9
	Same	24.7	21.7	26.3	25.2	24.6
	Down	14.9	10.1	22.1	9.4	14.3
Riding mowers/ lawn tractors	Up	26.1	37.2	19.7	27.6	22.1
	Same	15.2	10.9	18.3	15.7	13.0
	Down	12.3	9.3	16.9	7.6	14.3
Spin trimmers	Up	32.9	33.3	30.5	36.4	31.2
	Same	25.9	26.4	26.3	22.6	29.8
	Down	13.0	12.4	18.3	8.9	7.8
Replacement parts	Up	39.8	43.4	37.6	41.6	36.4
	Same	28.9	27.9	30.5	24.5	35.1
	Down	3.8	2.3	6.1	3.1	1.3
Current inventory of walk-behind mowers (median no. of units per store)		11	10	10	10	14

Because of multiple responses, percentages do not add up to 100%

More than 20 percent of retailers said herbicide sales were up, and 6 percent said sales were down.

More than 33 percent of retailers in the Northeast said insecticide sales were up, while nationally 27 percent of retailers indicated increased insecticide sales. Almost 5 percent of all retailers said sales decreased, and in the Northeast only 2 percent said sales were lower.

The percentage of retailers reporting increased sales of spin trimmers was, in all regions, close to the national figure of 33 percent.

Retailers appear to be making strides in reducing end-of-season inventories of walk-behind mowers. In 1985, retailers reported a median of 11 units per store compared with 17 units in 1984. Except in the West, each region showed median current inventories for 1985 of 10 units. ☐

Nine product lines sold through four key classes of retailers were measured by **LGM** for this survey.

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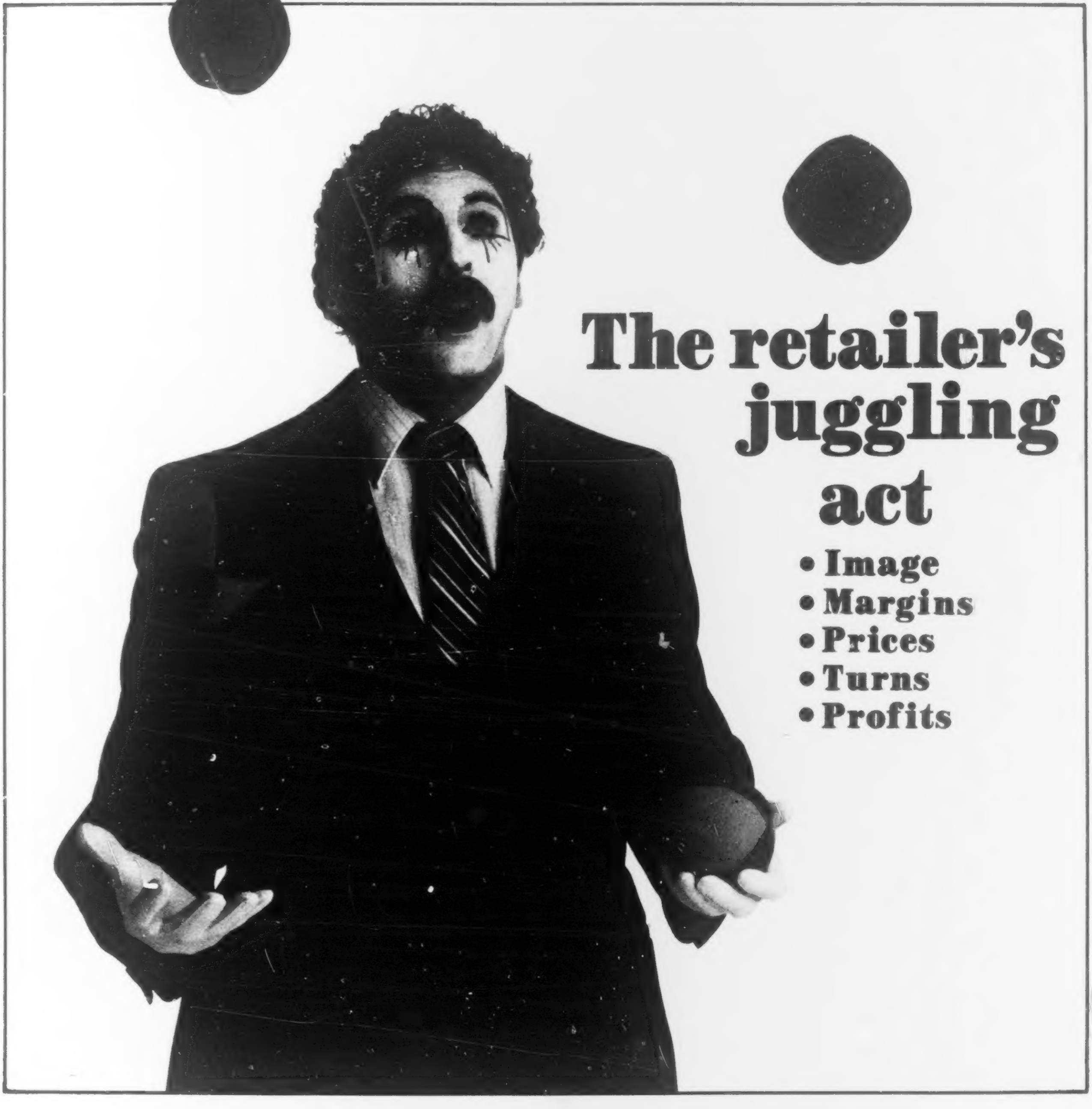
Lawn&Garden Marketing

FEBRUARY 1986

Reports on: Expo • seminar plans

'85 OPE shipments • Imports/Exports



The retailer's juggling act

- Image
- Margins
- Prices
- Turns
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The merchandising magazine for lawn, garden and leisure living products.

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Cover photo courtesy of *Microservice Management* magazine.

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Product Movement Report

Fall 1985

Although several product lines measured in the fall 1985 *Lawn & Garden Marketing* survey showed relatively steady sales, retailers indicated sales of grass seed, leaf blowers and snowthrowers were up compared to sales in the previous fall. Sales of chainsaws, on the other hand, were reported down by retailers.

The fall 1985 survey results were based on 339 responses from four categories of retailers: garden center, hardware/home center, multi-department store and power equipment. Respondents were asked to compare sales of nine product categories in fall 1985 to fall 1984. In this study, percentages of retailers indicating sales were up, down or the same, total the percentage of retailers carrying the product line. Percentages do not add up to 100 percent because not all retailers carry all product lines.

Nationally, retailers reported sales of bulbs, lawn fertilizer, indoor plants/pots and lawn tractors steady or slightly higher during the fall selling season compared to fall 1984. Retailers also said sales of garden tools were slightly down in the fall.

Leaf blowers and snowthrowers were the two categories making the most significant changes according to retailers. (See table.)

The only category in which significantly more retailers said sales were down than said they were up was chainsaws.

One aspect of chainsaw sales that may be considered favorable, however, is the median current inventory reported by retailers. In the 1985 fall survey, retailers reported a median current inventory of 16 units per store. In 1984, the median number of units was 18. This decrease could indicate retailers are making efforts to better control inventory and increase turnovers.

In the West retailers reported steady or increased sales in all nine product categories.

Retailers reported significant increases in sales of bulbs, grass seed and lawn fertilizer. The strongest sales were of grass seed. More than 28 percent of retailers said sales increased while an insignificant percentage said sales decreased. About 17 percent reported steady sales.

Retailers reported sales were nearly steady for sales of both garden tools and indoor plants/pots. About 15 percent of retailers said garden tool sales increased, and the same percentage said they decreased. For 41 percent sales were about the same. Almost 11 percent said sales of indoor plants/pots increased, and 13 percent said they decreased. Steady sales were reported by 15 percent.

Leaf blowers appeared to be strong sellers in the West with 28 percent of retailers reporting sales up. Only 7 percent said sales decreased, while 24 percent indicated level sales.

Snowthrowers also did very well. About 15 percent of retailers reported increased sales. Only 2 percent indicated sales decreased, and 9 percent said sales stayed steady.

Lawn tractors did reasonably well. About 13 percent said lawn tractor sales increased, almost 9 percent said they decreased, and 20 percent said sales were about the same.

About 26 percent of retailers reported increased chainsaw sales, and almost 20 percent reported decreased sales; 17 percent said sales were steady.

continued...

Fall product movement

(% of respondents)

	% carrying	% up	% same	% down
Leaf blowers	49.9	19.5	23.6	6.8
Chainsaws	57.2	13.6	24.5	19.1
Snowthrowers	38.9	18.0	15.6	5.3

Source: LGM fall 1985 survey
Based on 339 respondents indicating sales changes in each product category compared to fall 1984. Percentages do not add up to 100 percent because not all respondents carry all the product lines.

Figures tend to reflect this product's success at reaching the commercial market and attracting homeowners.

Large decreases in chainsaw sales in the North Central region weighed heavily on totals for the nation.

Late summer and early fall promotions rewarding buyers for pre-snow purchases appear to have pushed sales up overall.

Product movement

...continued

Sales in the South appeared to be somewhat better overall than sales nationally. Retailers in six of nine product categories indicated sales were up for fall 1985.

More than 17 percent of retailers said sales of bulbs increased, while 6 percent said they decreased. Sales for 18 percent of retailers were steady. For grass seed more than 12 percent reported sales up, while 8 percent reported them down; 24 percent said sales remained steady.

Lawn fertilizer also indicated better results than were reported nationally. Almost 22 percent of retailers said sales were up, and 7 percent said they were down. For almost 24 percent, sales stayed at 1984 levels.

Indoor plants/pots also gained with sales reported up by 10 percent of retailers and down by 4 percent. Sales were steady according to 24 percent.

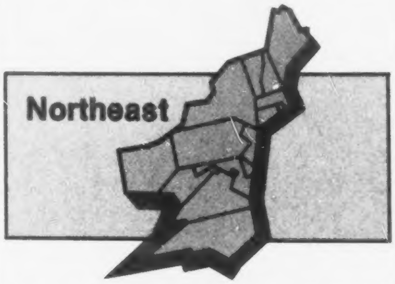
Lawn tractors showed a better than the national average trend with almost 15 percent reporting sales up and 10 percent reporting them down. Almost 21 percent showed sales about the same

Leaf blowers also maintained a strong showing in the South with almost 18 percent reporting better sales. Only 4 percent indicated sales were down, and 30 percent said sales maintained an even level.

Only garden tools and chainsaws had more retailers reporting sales down than up in the South. Too few retailers carry snowthrowers to track a trend in that category.

For garden tools, 7 percent of retailers said sales were up, while more than 10 percent said they were down. About 39 percent showed sales to be steady.

Chainsaw sales appeared to be a little better than the national average with 11 percent saying sales were up. About 14 percent said sales were down; 32 percent indicated sales were about the same.



Overall, retailers in the Northeast reported better sales than did retailers nationally.

More retailers reported sales were up for bulbs, grass seed, lawn fertilizer and snowthrowers than reported them down. About 13 percent of retailers said bulb sales were up and the same percentage reported sales were about the same; 8 percent said sales were down.

About 24 percent said grass seed sales were up, and 20 percent said they were about the same with 8 percent reporting sales down.

While almost 27 percent of retailers said lawn fertilizer sales were the same, 17 percent reported them up. Almost 7 percent said they were down.

For snowthrowers 24 percent said sales were up, and the same percentage indicated they were the same; 9 percent said sales were down.

Retailers of garden tools, however, said sales were nearly steady with 11 percent indicating increased sales, 39 percent steady sales and 9 percent indicating decreased sales. Retailers of lawn tractors reported similar results with the same figures for increased and decreased sales, while 29 percent reported sales were steady.

Sales of indoor plants/pots were in line with national trends. About 9 percent said sales were up, and 4 percent said they were down. Almost 27 percent said sales were about the same.

Leaf blowers, according to retailers, showed higher sales, but the results in the Northeast were not as strong as the national figures. More than 17 percent of retailers said sales were up, while almost 11 percent said sales were down. About 15 percent said sales were steady.

Chainsaws continued slow sales, but the trend was closer to steady than it was nationally. More than 17 percent of retailers indicated higher sales, and the same percentage indicated steady sales, while 20 percent said sales were down.

North Central

Reports in the North Central for some categories showed the worst trends of any region, though some categories did show improvement.

Sales of bulbs appeared to be significantly down with 6 percent saying sales were up, 13 percent indicating sales were about the same and 11 percent reporting them down.

The same was true of indoor plants/pots. About 10 percent of retailers said sales were up while more than 14 percent reported them down. Almost 30 percent reported sales were about the same.

The worst sales figures were for chainsaws. Only a little more than 8 percent of retailers said sales of chainsaws were up while about 22 percent reported them down, and 26 percent reported sales steady.

Retailers also indicated sales of lawn tractors were slightly down. About 12 percent said sales increased, and almost 16 percent said sales decreased. More than 26 percent indicated sales were the same as the previous fall.

Sales of grass seed and lawn fertilizer were relatively steady showing only slight increases.

Two categories with significant increases were leaf blowers and snowthrowers. About 19 percent of retailers reported leaf blower sales were up, and only 7 percent said they were down. About 24 percent said sales were steady.

With almost 30 percent of retailers reporting sales increases, snowthrowers also showed a significant sales improvement. About 8 percent of retailers said sales decreased, while 23 percent reported sales were about the same.

Almost 10 percent of retailers said garden tool sales increased, while 14 percent said sales decreased. Almost 30 percent reported sales remained at the same level. This trend is similar to the steady sales trend indicated nationally.

—LGM

OPE units up 3.9% in 1985

The 1985 OPEI industry estimates for shipments of key lawn and garden products registered moderate increases.

An overall increase of 3.9 percent was experienced over the previous model shipment year.

By product category, the most significant growth was for lawn tractors and riding mowers, which showed an increase of 5.5 percent over 1984 figures.

Shipments of front-engine riders increased 9.2 percent from 502,000 units in 1984 to 548,000 units in 1985. The FOB shipment value in this category increased 11 percent from $482 million in 1984 to $535 million in 1985.

Shipments of rear-engine riders increased by only 0.3 percent from 354,000 in 1984 to 355,000 in 1985. FOB shipment values for this category increased 3.2 percent from $278 million in 1984 to $287 million in 1985.

Because of a decrease in riding garden tractor unit shipments, the overall category of all riders (which includes front- and rear-engine lawn tractors/riding mowers and riding garden tractors) experienced only a small percentage change. With an increase in unit shipment of 1,008,000 in 1984 to 1,050,000 in 1985, the category increased 4.2 percent. FOB shipment values of all riders increased 5.0 percent with shipment values increasing from $1.07 billion in 1984 to $1.13 billion in 1985.

Walk-behind power mowers were also up showing an increase of 4.9 percent compared to 1984.

Two product categories registered decreases in 1985. Rotary tillers declined 9.3 percent and riding garden tractors reflected a decrease of 3.3 percent compared to 1984.

Key lawn and garden shipments – 1985 model year (estimated)

Product	Unit shipments 1985	Unit shipments 1984	% change	FOB shipment value (millions of $) 1985	FOB shipment value (millions of $) 1984	% change
Walk-behind power mowers	5,193,000	4,950,000	+ 4.9	$ 792	$ 742	+ 6.7
Lawn tractors/riding mowers	903,000	856,000	+ 5.5	822	760	+ 8.2
Riding garden tractors	147,000	152,000	– 3.3	303	311	– 2.6
Rotary tillers	362,000	399,000	– 9.3	181	197	– 8.1
	6,605,000	6,357,000	+ 3.9	$2,098	$2,010	+ 4.4

Source: OPEI

Dealers focus on commercial market

Increases in multi-family and commercial sites continue to feed the optimism of equipment manufacturers and dealers for 1986.

It was the consistent message at the 1985 Illinois-Wisconsin Lawnmower Dealers' meeting near Chicago. The day-long seminar gave equipment dealers information about business operations ranging from how to promote their companies to the trends in the commercial equipment market.

"The high cost of single-family housing is not likely to reverse. Those who can afford a traditional home are two-paycheck families with no time for lawn care. So, they're hiring local lawn maintenance companies to maintain their property. Either way it means an increased demand for commercial mowers," says Bob Olsen, president of Olsen Distributing.

For dealers, this growth means more emphasis on servicing commercial customers: matching their hours, prompt repair and parts replacement and complete repair facilities on the premises.

Attention also focused on the Japanese mower manufacturers' move into the commerical market here.

"Only in the last few years has the commercial mower market become attractive to Japanese manufacturers. They weren't interested in the intermediate market when sales volume was low. But now the figure has quadrupled, and they're interested," says Dane Scag, president of Scag Power Equipment.

The more than 100 dealers also viewed equipment demonstrations and previewed new models.

B&S hosts first component conference

In an effort to convey Briggs & Stratton's long-range plans to component suppliers, the company hosted the first Principal Component Supplier Conference. Briggs & Stratton's plans focus on excellence in quality and cost.

The one-day conference attracted 59 of 63 companies invited and included Allen Bradley, Champion Spark Plug Co., Globe Battery Division, Motorola, Inland Steel and United States Steel.

In his welcoming remarks, Walter O. Schneider, vice president, procurement, spoke of the company's continued emphasis on obtaining the highest quality component parts available.

Frederick P. Stratton, chief executive officer, addressed the need for improved quality and lower production costs in his comments and also spoke about the fiscal policies of the U.S. government since 1980. "The dollar has become very strong. It has made our prices less competitive," Stratton said. "The strength of the dollar versus the yen has given the Japanese manufacturers an opportunity in recent years; they have made the most of it."

Executive vice president George Senn spoke about supplier performance requirements while executive vice president Lavern Socks gave an overview of operations. A tour of the main engine producing plant and a reception were also part of the agenda.

Briefs

- Beaird-Poulan/Weed Eater recently introduced its newest product line, Yard-Pro premium brand trimmers/brushcutters to be marketed exclusively by outdoor power equipment distributors. Yard-Pro encompasses both heavy-duty consumer yard-care tools and commercial-duty tools.

- Jacobsen Division of Textron offers a new computerized service that scans its North American distributor network for hard-to-find parts and equipment. Called Trader Jake, the service can also be used to locate new or reconditioned machines, attachments and outdated accessories. The service is an extension of the REACT computer network that links the company and distributors for immediate order entry and processing.

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Lawn&Garden Marketing

MARCH 1986

Reports on: Spring '86 ad plans

Retail competition • Strategic consumers

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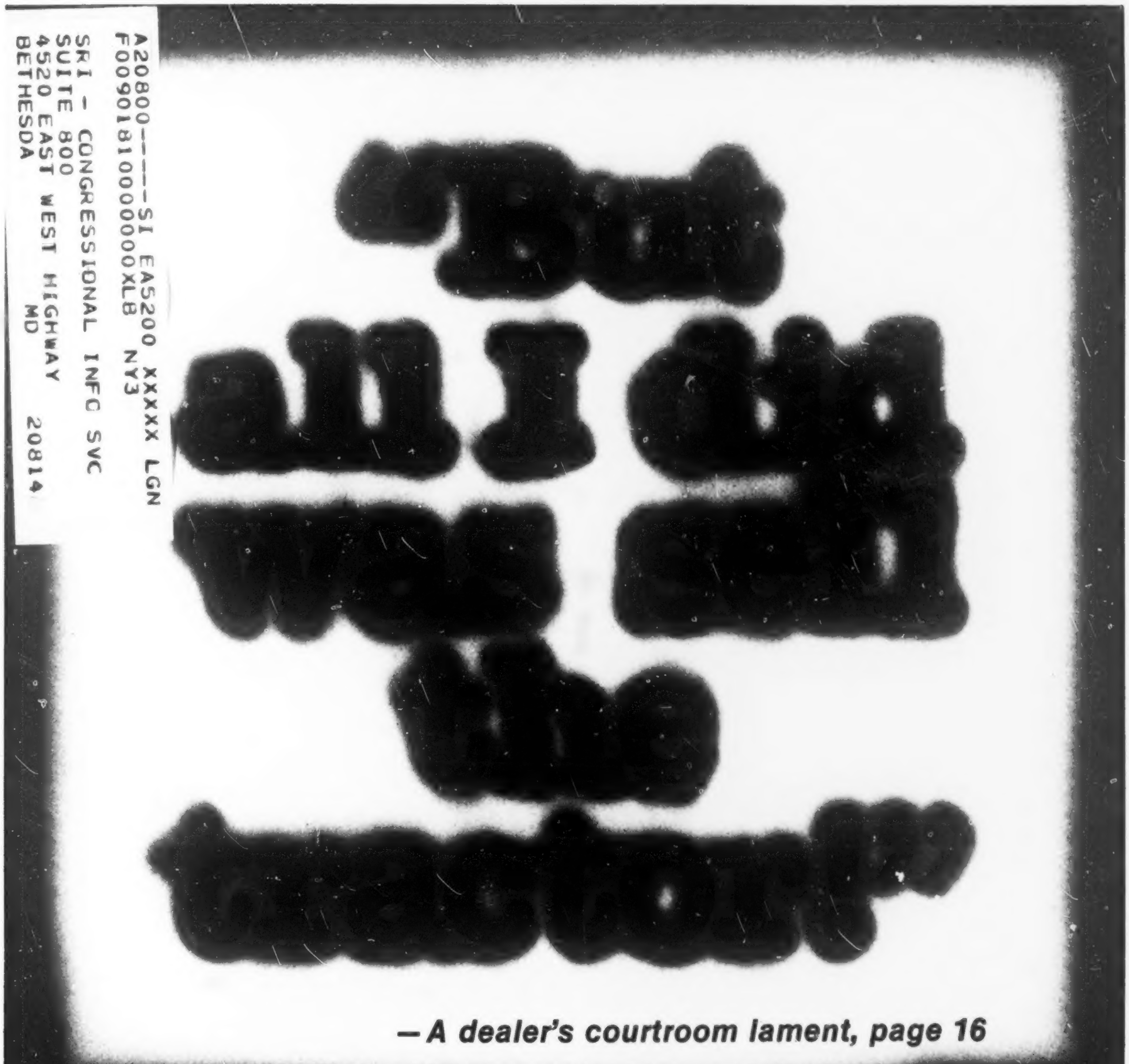
"But all I did was sell the tractor!"

—A dealer's courtroom lament, page 16

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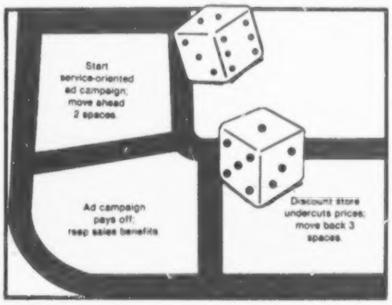
The merchandising magazine for lawn, garden and leisure living products.

MARCH 1986 VOL. 25, No. 3 PUBLISHED 10 TIMES ANNUALLY


Start service-oriented ad campaign; move ahead 2 spaces.
Ad campaign pays off; reap sales benefits
Discount store undercuts prices; move back 3 spaces.

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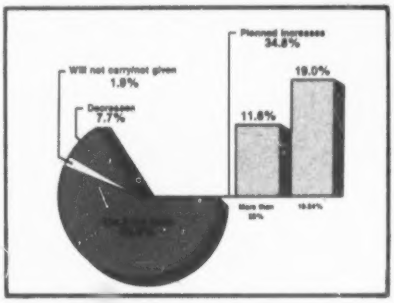

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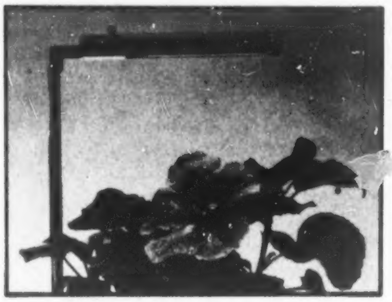

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- **Fall sales trends: a 5-year look**
- **Winter Product Movement Report**

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Strategic consumers

A new study shows that today's consumers are more pragmatic, placing increased emphasis on value and directing leisure pursuits, including gardening, into narrowed areas of expertise.

By Mike Greene

More so than in the past, consumers today are interested in developing knowledge and skills in selected leisure areas, including gardening. But they are more pragmatic about where they buy their gardening products and take a strategic approach to shopping.

Maybe you've already noticed that a growing number of consumers of lawn and garden products and services are not responding to price-cut advertising, brand names, union labels, and "Made in America" stickers.

As you talk to them, you get the feeling that they are perhaps more skeptical than before, more pragmatic about purchases, less swayed by your expert advice or opinion. Consumers with these attitudes and buying habits are showing up everywhere and they represent a new generation of lawn and garden buyers.

The January 1986 issue of *Lawn & Garden Marketing* described this generation of baby boomers. You may have already looked at the demographics of the baby boomers—where they live, how old they are, how much money they make.

The demographics are impressive. They tell us that the first baby boomers, now turning 40, are leading an age group that will add 28 percent to the size of the 30-to-49 age group over the next 10 years. Baby boomers represent the large majority of first-time homeowners and will be the population segment most likely to engage in lawn and garden activities.

Most importantly, studies of boomer lifestyles are helping us understand more about who they are so we can begin to shape our business plans to correspond with the attitudes, beliefs, perceptions and buying habits of the major consumer market segment of the late '80s and '90s.

Findings of recent studies make it clear that dependence on the last generation's marketing ideas—"location, location, and location," for example—may well miss the big-but-moving target of this important consumer group. One study in particular, "How Changing Lifestyles in America are Impacting the Garden Industry," addresses this concern.

The accompanying article is based on the latest in a continuing series of studies of social change and consumer buying habits. Titled "How Changing Lifestyles in America are Impacting the Gardening Industry," this study was conducted by the nationally known analysts of social change and consumer behavior, Yankelovich, Skelly, and White Inc., under the sponsorship of Rodale's Organic Gardening *magazine.*

In releasing it to LGM, Tom Stoneback, associate publisher of Rodale's Organic Gardening, *cited the report for providing a historical perspective beginning in the post-World War II era, and chronicling consumer attitudes through the decade of the '80s.*

Most importantly for the lawn and garden industry, Stoneback says the study "forecasts how consumer trends will affect the gardening industry in the years ahead," and identifies marketing mandates for manufacturers and retailers alike.

The study is an in-depth think piece. Our condensed report by writer Mike Greene highlights the study. A copy of the complete study may be obtained from: Tom Stoneback, associate publisher, Rodale's Organic Gardening, *33 E. Minor St., Emmaus, PA 18049.*

Commissioned by *Rodale's Organic Gardening*, this study is the latest in a series of studies on social change by Yankelovich, Skelly, and White Inc. Some highlights from this study follow.

Boomer lifestyles

The boomers' lifestyles, of course, did not spring full-blown out of thin air. Their lifestyles do not represent faddish ways invented by Madison Avenue types or celebrity entertainers. Boomers are the products of parents of the late '40s and '50s whose formula for a successful lifestyle was based on what has been called the "Protestant work ethic," a view of life based on generous doses of self-sacrifice, self-denial, conformity and devotion to home, family and job.

In the '50s, the lawn and garden industry benefited from the "home-base" ties of boomers' parental value system. Supported by an expanding economy, the '50s was a period of unparalleled new home construction, stimulated by a population that was more than two-thirds "middle class."

As homeownership became feasible for more people, a good-looking lawn and garden became a widespread status symbol. The symbol was one of the signs of a new wave of what a well-known economist labeled "affluence." And the "affluent society" of the '60s began to look for the "full, rich life" outside the traditional framework of social and other traditional motivators.

The "me" generation gave rise to a "leisure ethic" in the 1970s and to lifestyles that emphasized self-fulfillment and a feeling of one's entitlement to a better quality of life.

Key studies of social change by the Yankelovich, Skelly, and White organization showed that many of the "seekers" of the '70s did not "find themselves" on the path to happiness.

By the late '70s and early '80s, consumers were adjusting to the fact that they could not do it all, have it all and be it all. Studies showed a decided shift of consumer interest from trying out the novelty of many ways to experience leisure time, to an approach that emphasized narrowing the focus of interest, and selecting fewer and more achievable interest goals.

A core market, comprised of persons with a serious interest in developing knowledge and skills in selected leisure areas, emerged. Then in 1979 survey data began to reflect a renewed appreciation of the home as:

- a place of refuge from stressful work and relationships;
- a source of diversified gratification opportunities;
- a symbol of success in a competitive business world; and
- a focus of interest for leisure-time activities.

Sound familiar? No, it's not a throwback to the days of the Protestant work ethic. Nor does it mean the abandonment of the search for self-fulfillment

continued...

Strategic
...continued

of the '60s and '70s. The boomers have found new means of achieving a blend of values inherited from the last three decades. Simply, they have re-invented pragmatism.

The pragmatic consumer

The pragmatic consumer is someone who is:

- looking at all the options;
- not tied to any product, brand, or retail outlet;
- not locked into bargain hunting for the lowest price;
- feeling strongly that there are a variety of ways to make the most of available time, money and effort and come up with a "best" result.

The pragmatic consumer not only wants to feel good about his purchase of his lawn and garden products and services, he also wants to feel that the best value is being received and that the spending transaction has rewarded the mind and spirit.

This brand of pragmatism has led to the emergence of today's strategic consumer—"a consumer distinguished by a case-by-case approach to the marketplace," in the words of the study.

"The strategic consumer has made quality the keystone of the 'smart shopper' philosophy. Quality, in fact, is the one (and perhaps the only) aspect of the strategic approach that takes on the character of a 'moral imperative.' "

If the moral imperative of the '40s and '50s was, "I've got to do the best I can," the moral imperative of the late '80s and '90s may be, "I've got to do the best and get the best I can."

The strategic consumer's interest and involvement in gardening in the late '80s is likely to be influenced by trends in economic motivations, food supply, food concerns, the leisure climate, the importance of a well-kept lawn or garden, physical fitness trends and time spent at home.

Motivations for gardening

It is by no means certain that consumers will turn to gardening as an economy measure in response to rising food costs. For example, during the recession of 1974-75, many consumers cut back on expenditures for food and clothing rather than on luxuries, reflecting their "I deserve it" orientation.

However, a relatively large proportion of consumers report they are economizing on food purchases as a way of reducing living expenses. To these consumers, gardening may offer a way to obtain high quality food at low cost.

Consumers are getting more involved with food in the home, following a decade-long expansion of their eating-out options. This reflects a renewed emphasis on home and family and ongoing health/nutritional concerns.

Home-based leisure

Gardening will benefit from the renewed emphasis on home-based leisure. This will include all types of plant cultivation.

People are giving more thought to how they spend their leisure time and are trying to pursue more productive activities. Yet, leisure time is becoming more precious as it becomes more limited as a result of increased demands on time.

Further reinforcing the focus of leisure-time activities at home is the fact that people are staying in one place longer. Home aesthetics—both interior and exterior—are coming back as meaningful signs of being a "winner."

Lawn or garden signals success

More people associate a well-cared-for lawn or a beautiful garden with success.

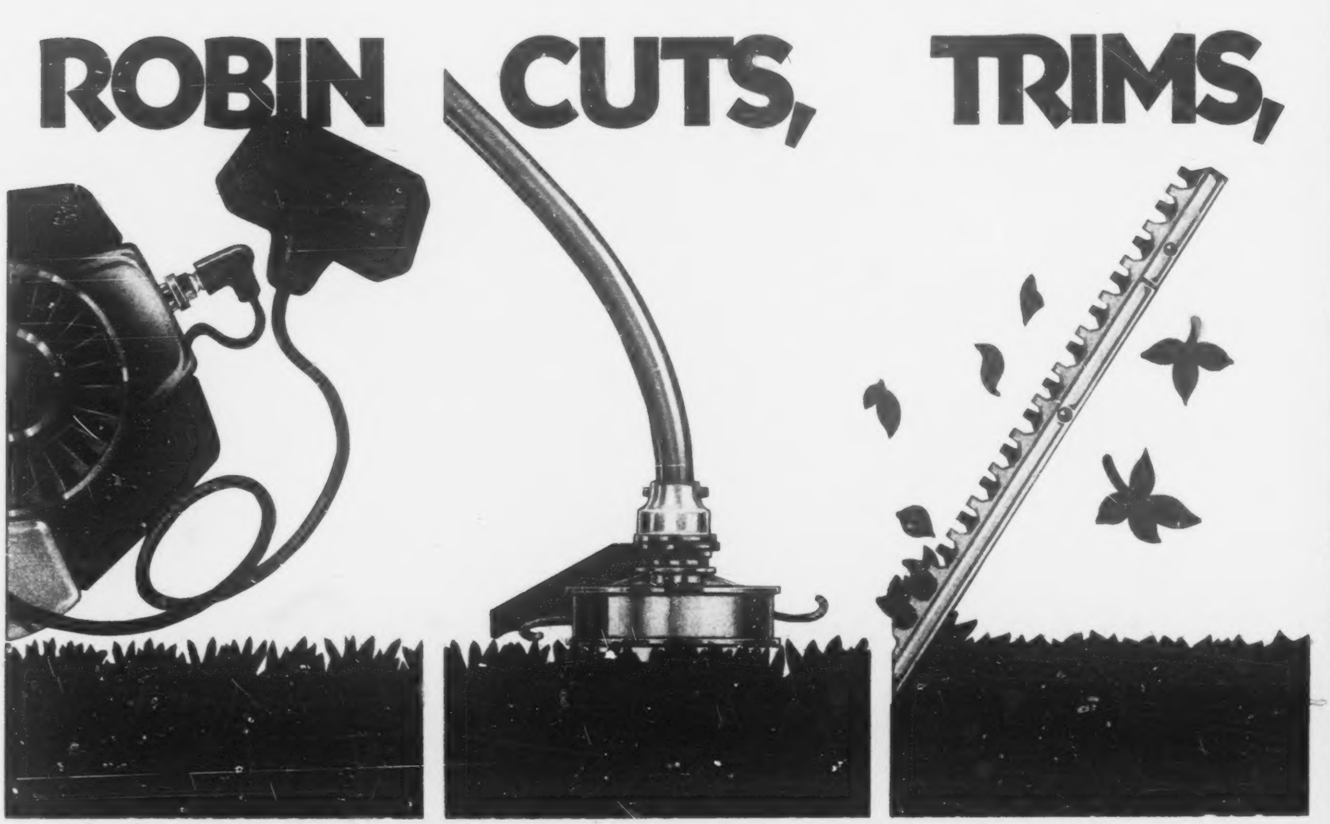

Table I
Time spent at home

	1985
Spent more time at home in 1985 compared to 1984	30%
Reasons for spending more time at home:	
To economize	32
To relax	32
More involved with home and how it looks	27
Need to spend more time on household chores	23
Engaging in more activities at home (e.g. home entertainment equipment)	13
Doing more entertaining	5

Source: January 1986, Yankelovich, Skelly, and White Inc., "How Changing Lifestyles in America are Impacting the Garden Industry." Based on 2,500 personal interviews.

Many report feelings of creativity from gardening. In this light, gardening may have a greater role as a way of relaxing and reducing stress as well as providing a fitness-oriented population with an avenue of exercise.

There is a strong involvement with physical fitness and well-being in America. Among all the vigorous activities of outside work including gardening, gardening leads the list. Almost half of consumers reported they participated in outside work at least twice a week, when weather permitted.

Thirty percent of persons interviewed spent more time at home in 1985 compared to 1984. The three top reasons, in order of descending importance were to:

- economize;
- be more involved with home and how it looks; and
- relax. (See Table I.)

On many levels—education, income and certainly self-confidence—the boomers' generation is the cream of American society. It is a trend-setting generation because of its size, its values, and experience.

The enormous impact of boomers on the lawn and garden industry is just beginning to be felt. With the senior boomers now turning 40, they will dominate the lawn and garden retail market over the next decade. Over that same period of time, they will become the American Establishment: the senators and congressmen, company presidents and managers, investors, homeowners and civic leaders.

There is every reason to think that their values, lifestyles and attitudes will exert a powerful influence on all Americans. They have already reversed the away-from-home thrust of the '70s. Their "look good, feel good" lifestyle, preferences have affected virtually every consumer market.

As more of the boomers establish

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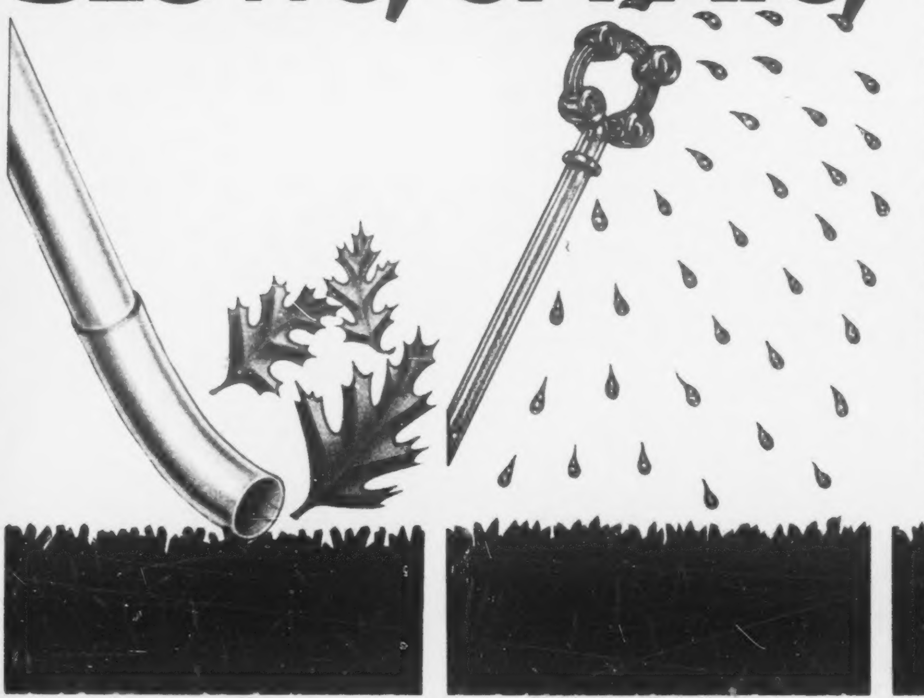
BLOWS, SPRAYS, LASTS.



Put the full line of Robin gasoline-powered outdoor equipment in your store and watch your sales take off.

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Robin

Circle (13) on Reply Card

Table II
Strategic shopper trends

	1983	1984	1985
Doing/considering to economize:			
Fewer impulse purchases	58%	53%	54%
Waiting to buy on sale	43	45	48
Shopping more at discount stores	42	44	46
Adhering more strictly to budget	27	36	36
Shopping less often	29	29	29
"'No name' or unbranded products are a real benefit to the consumer"	72	72	67

Source: January 1986, Yankelovich, Skelly, and White Inc., "How Changing Lifestyles in America are Impacting the Garden Industry." Based on 2,500 personal interviews.

Strategic
...continued

families and form new households, we may be seeing a heightened emphasis on family togetherness and a growing focus on making home a more elegant environment with abundant leisure-time opportunities.

The boomers display an emphasis on values and value-added components of life which go beyond "getting bargains" to lawn and garden activities that meet emotional needs, provide exercise needed to keep fit, supply fresh food, nurture the involvement of the whole family in at-home activities and provide a productive outlet for leisure time.

Marketing mandates

Boomers are providing the lawn and garden industry with the opportunity to adapt and respond to a powerful thrust of value-oriented pragmatism in the marketplace. This is not something which may happen in the future. According to some observers, its happening now.

"In every product line, prices are coming down and quality is up," says Walt Kopala, merchandise manager for Western Auto Supply Co. "The customer's got a helluva deal."

The consumer's new savvy and selectivity is not a short-term phenomenon, the study tells us. Rather, the strategic approach to the marketplace represented in boomers' attitudes and behaviors represents a basic shift to buying patterns that are likely to endure. (See Table II.)

This important lifestyle study recommends these marketing guidelines for businesses:

- Identify product value. (Cut through the clutter of price chops and brand name claims to identify real values, and communicate these to your customers.)
- Identify your assets and liabilities. (Look at brand or company name assets as well as liabilities. Help the consumer avoid trial and error purchases and be clear about product difference.)
- Identify new market niches. (Subsegments of the market are well worth targeting for their unique character or needs. Among these new niches are those sufficiently affluent and sizeable to warrant your attention. They are as reachable as the total market.)
- Be an efficient and effective marketer. (New media strategies for new and old products are indicated, as the reassessments of marketing budget allocations.)
- Identify new distribution opportunities. (More consumers want efficient purchase solutions, both in-home and at point-of-purchase. This suggests an opportunity for marketers to leverage new distribution opportunities, including those created by new technologies.)

Findings from the study suggest that the baby boom generation is becoming the key population segment for gardening as it moves into the prime gardening age. The strategic consumer has made quality the keystone of the smart shopper philosophy. Thus, there are advantages for those lawn and garden businesses that identify the value-added dimensions of their products and services. Retailers must tailor their marketing strategies to lifestyle preferences in order to effectively reach this new, pragmatic consumer. **—LGM**

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Available at your local Lawn Seed Dealer.

Circle (14) on Reply Card

’86 spring ad plans

Retailers select ad times and media for maximum value. This spring, March Saturdays are the most popular kickoff dates and newspapers the most popular medium.

By Kathleen Armentrout

For most retailers, advertising is tailored to meet their specific needs. The spring season is especially important to lawn and garden retailers so the timing and effective use of advertising is vital at this time of year.

One Colorado retailer is taking advantage of an unusual weather phenomenon. Facing the warmest January in years, Jon Dunnell, garden center manager for McGuckin Hardware, Boulder, Colo., began promoting spring products in mid-January rather than in March as usual.

Although he says it is too early to hit consumers with spring products such as lawnmowers, the warm weather does encourage sales of fertilizers, mulches and soil supplements, as well as other early spring products.

“We keep our garden center running year round,” Dunnell says. “It really thrives, though, from about March through October.” As a result, Dunnell says he usually receives his early shipments of spring products about Feb. 15 and begins advertising the products about March 1. The warm weather this year made the timing good for earlier advertising.

In a fall 1985 *LGM* survey of retailers, 38 percent of respondents indicated plans to start spring newspaper advertising in March. Regional factors appeared to have a slight influence on the start of spring advertising with 28 percent of the retailers in the Northeast, 49 percent of retailers in the North Central, 38 percent in the South and 28 percent in the West indicating March starting dates. In the West, another 28 percent said they planned to start spring advertising as early as February.

Even fewer differences were apparent between classes of retailers. While 46 percent of multi-department stores chose March to start spring advertising, 39 percent of garden centers and of power equipment dealers chose March start dates. Almost 35 percent of hardware/home centers planned campaigns beginning in March.

Retailers showed less agreement in the particular day chosen to kick off spring sales. Overall, Saturday and Thursday were the most popular. More retailers in the South and West chose to start on Saturday while in the North Central, Thursday was the most popular. Retailers in the Northeast were evenly divided between Thursday and Saturday as the most popular.

“Timing of ads is important,” said one Virginia retailer. “We try to carry a different mix of merchandise than our competitors with a trend toward better quality and higher-priced merchandise.”

Dunnell agrees and says knowledge and quality bring customers back to his store. The garden department of his store has five knowledgeable employees, including one with a degree in environmental biology to answer chemical questions, plus Dunnell who has experience in landscaping.

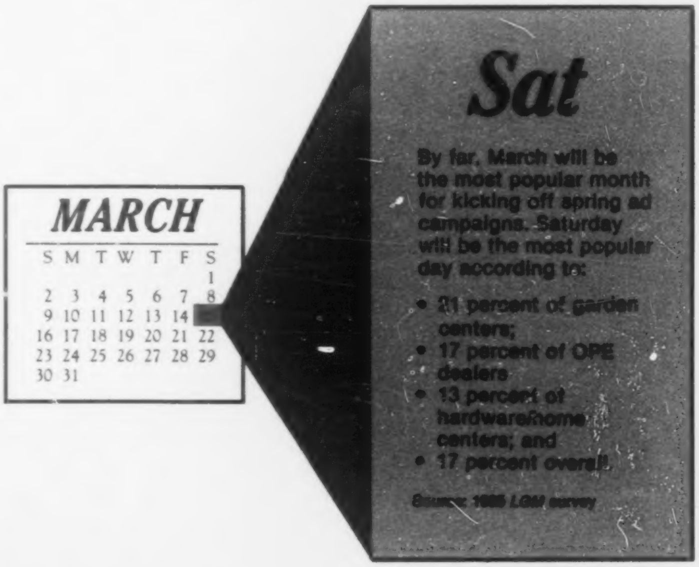
Other garden centers agree that quality and knowledge improve their sales. “Home Club, Price Club, Home Depot and Target’s loss leader features bring people to their stores,” says Diana Hagelburg, garden center manager for Buena Park Lumber, Buena Park, Calif. “Quality and service bring them back to me.”

Other retailers agree that mass merchandisers force independent retailers to be more aggressive in their marketing. “With mass merchandisers handling lawn and garden supplies, today’s independent retailer must become better prepared to display and promote products more aggressively,” says a Mississippi garden center manager.

Barbara Scherer of Garden Center Inc., Richmond, Ind., feels frustrated by consumers’ reactions to mass merchandiser advertising. “They (customers) come in and pick our brains then go and buy from K mart,” she says. “And they pay more for a lot of stuff there.”

Because of difficulties with the local newspaper, Scherer says her company has pulled its advertising and the weekly gardening column she had been writing for the paper. In addition, a weak local economy has had an adverse effect on sales.

Sales of garden supplies have dropped



By far, March will be the most popular month for kicking off spring ad campaigns. Saturday will be the most popular day according to:

- 21 percent of garden centers;
- 17 percent of OPE dealers
- 13 percent of hardware/home centers; and
- 17 percent overall.

Source: 1985 LGM survey

Daily Gazette

Daily newspapers will represent the major advertising buy for:

- 56 percent of garden centers;
- 49 percent of power equipment dealers;
- 32 percent of hardware/home centers;
- 31 percent of multi-department stores; and
- 46 percent involved in the lawn and garden industry overall.

Weekly or bi-weekly newspapers rate second, direct mail third, radio fourth, local television fifth and billboard advertising sixth as spring season media purchases.

Source: 1985 *LGM* survey

80 percent in six years she says. Their pet supply business has helped keep them solvent. In midsummer, GC Inc. did a garden supply inventory to decide whether or not to order for spring. They did choose to place a conservative order, but now it is a matter of being able to sell the products.

For Scherer that means alternate forms of advertising. On a small computer, Jim Scherer has developed a mailing list of 1,500 customers. Currently the list includes mostly pet supply customers but is expanding to include garden supply buyers. With the local economy affected by high unemployment and shaky industry, the Scherers think the monthly mailing is their most effective advertising.

"We get to feeling we're a really isolated case, and *we* must be doing something wrong," Barbara Scherer says. "But we talk to our horticulture suppliers, and they say for several years it's been bad. We aren't alone."

Other retailers—even those not facing economic difficulties—also think direct mail advertising is the most practical way to reach customers. "We carry all of these (chemicals, fertilizers, garden tools, walk-behind mowers, lawn tractors and riders and tillers) but found flyers sent to each mailbox do us more good than newspapers, television or radio," says one Maine garden center owner.

Although overall retailers reported dai-

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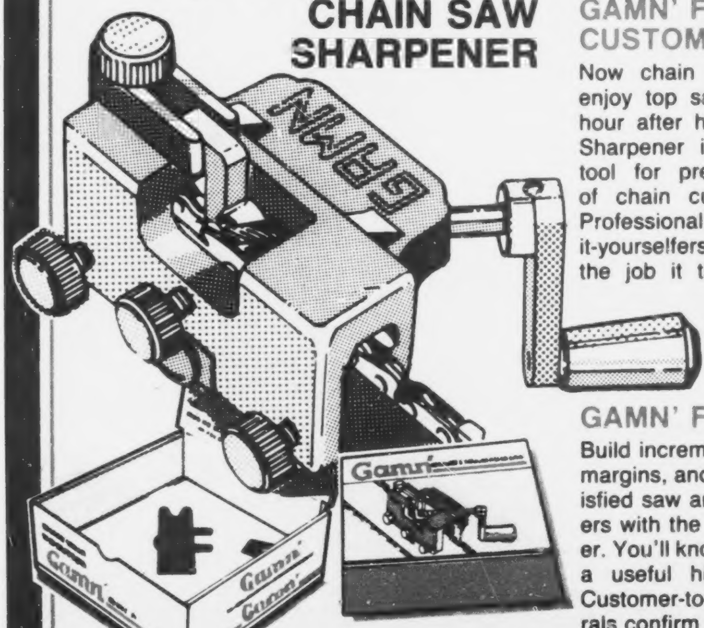

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Circle (19) on Reply Card

"Most important, inventory financing gave us the opportunity to diversify into a new business."

Eugene McLean
Allan Lawn Mower Co.

As an industry service, Borg-Warner asked Eugene McLean to address the idea that Floor Planning can be a tool for planning ahead.

Since 1947, Allan Lawn Mower Co. has been a family operated store serving western Massachusetts. Since Don and Eugene have taken over their father's operation, the company has grown steadily each year, with the McLeans expecting 1985 growth of up to 18%. The operation maintains between $500,000-$800,000 of inventory, with annual sales generally averaging $2½ million.

Having grown to become perhaps the largest lawn mower retailer in the area, both Don and Eugene feel that inventory financing has helped their company's growth, as well as the recent expansion into the distribution business, opening EDM Distributors.

Eugene McLean –The Lawn & Garden business is a highly seasonal one, but also based largely on impulse purchase. For the most part, customers see what they want on the floor and want to walk off with it. Other dealers know that if you don't have it on the floor or in stock, you're not going to sell it.

For that reason, inventory financing has been crucial. Our floor planning allows us to maintain wide selections of stock to meet customer tastes and needs, but it *also* allows us to keep sufficient back-up stock to support turns. This plus our diversity of product lines has enhanced our reputation as a customer/service oriented operation.

Perhaps *most* important, however, has been the opportunity for growth that we have utilized because of inventory financing, substantial credit lines available through floor planning and flexible payment terms, working together. Our recent expansion into the wholesale business simply wouldn't have been possible without floor planning. It not only funded the distributorship's merchandise, but also freed-up our own cash flow to use in making the new business grow.

Prior to floor planning, the company was often forced to borrow money from local banks to keep afloat through winter slack time. Recently, however, inventory financing has afforded us sufficient cash flow to meet daily expenses year 'round. Since using inventory financing, we've never had to borrow from the bank to get us through a season.

FLOOR PLANNING PLANNING AHEAD

An Industry Service Message From
Borg-Warner Financial Services
Circle (21) on Reply Card

Advertising

...continued

ly newspapers were their major advertising media, 37 percent of hardware/home centers reported the major advertising expense was for direct mail.

A direct mail circular program supplemented with weekly newspaper ads is used by Sutter Home Center, Berwick, Pa., according to general manager Larue Slusser.

Sutter starts its circular program in early April with 60 percent of the emphasis going to lawn and garden products. "The activity really starts with the warm weather about that time," Slusser says. The home center is placing more emphasis on lawn and garden with its increased outdoor storage area and the ability to provide a wider product mix. "Our advertising increases sales and increases store traffic."

Retailers choose newspapers

However, according to the fall survey, most retailers choose daily newspapers as their major advertising medium.

More than 46 percent of all retailers and 56 percent of garden centers said the major part of their advertising budgets is spent for daily newspaper advertising.

Dunnell says McGuckin advertises at least once a week in the daily paper but emphasizes products rather than brands. "We use the brand name to draw in customers, not to push one type," he says. Co-op ads also play a part in the campaigns, and the company's advertising department stays current on opportunities.

Dunnell says placement of the ad is also important. McGuckin has found placement in the sports section, especially in the fall, is particularly effective. Coupons help monitor the effectiveness of his newspaper ads. To measure the effectiveness of radio ads, he relies on calls and comments from customers.

In the survey, radio ranked first as a supplemental advertising medium. Almost 29 percent of respondents said they would use radio advertising, while 19 percent said they would use weekly or biweekly newspapers and also 19 percent said they would use direct mail to supplement their major campaigns.

Variety of products featured

According to retailers, a variety of products will be featured in spring advertising. Overall, 57 percent will feature walk-behind mowers, and 47 percent will include lawn tractors and riders. Tillers will be featured by 42 percent.

About 40 percent of respondents said fertilizers are included, while 39 percent include chemicals. For 32 percent, garden tools are in the advertising plans.

When divided by classification of retailers, the figures break down a little differently. Almost 80 percent of garden centers say fertilizers figure in their advertising plans, and 75 percent include chemicals. About 49 percent plan to feature garden tools.

On the other hand, 65 percent of hardware/home centers plan to feature walk-behind mowers and 64 percent highlight chemicals. Almost 63 percent will feature fertilizers and the same percentage garden tools.

Obviously, power equipment dealers place almost exclusive emphasis on walk-behind mowers (81 percent), lawn tractors and riders (79 percent) and tillers (67 percent) according to the survey.

Retailers reported median advertising expenses ranged from 3 to 5 percent of sales.

Overall, retailers indicated effective advertising was the key to projecting products and knowledge, as well as prices. But most retailers indicated advertising alone was not enough. "Competition is growing steadily, requiring increases in efforts toward marketing. Strategy includes increasing services," says a Missouri garden center.

Dunnell says McGuckin and other retailers have to take advantage of opportunities. "If we just get them in the store, we can sell them." **—LGM**

To get more information ...

on items advertised or described in this publication, use the Reader Service Card.
As a free service for our readers, we forward your inquiry to the product's manufacturer. Reader Service Card is pre-addressed.

Power Equipment Report

Farm dealers deeper into lawn and garden

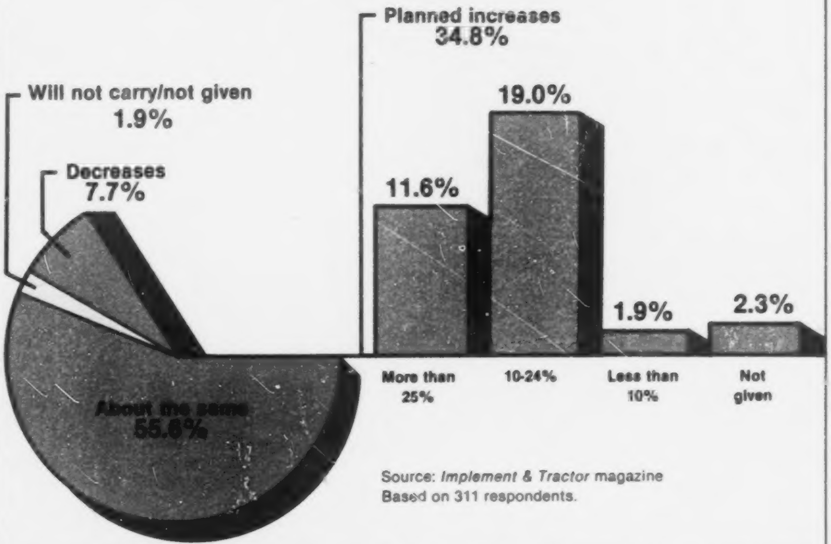
Perhaps due to the poor farm economy, farm equipment dealers are making significant moves into the lawn and garden industry, according to a survey by *Implement & Tractor* magazine.

More than 33 percent of the 311 retailers surveyed indicated their inventories of lawn and garden products were larger in 1985 than in 1984. Almost 47 percent said inventories remained the same, and 17 percent said they were smaller. Those inventories included lawn and garden tractors and attachments, riding mowers, walk-behinds, tillers, snowblowers and trimmers.

Retailers also reported plans to increase lawn and garden inventories in 1986. Almost 11 percent said they planned increases of more than 25 percent, while 19 percent indicated planned increases of between 10 and 25 percent. Overall, 35 percent reported planned increases of lawn and garden product inventories.

Sales volumes also reflect a stronger interest in lawn and garden products by farm equipment dealers. About 42 percent said sales in 1985 were higher than in 1984. Almost 33 percent reported sales remained about the same, and 22 percent said they were down. Less than 3 percent did not carry lawn and garden products in 1985.

'86 lawn and garden inventory plans
(% of respondents indicating)



Source: *Implement & Tractor* magazine
Based on 311 respondents.

Gilson receives Ford outstanding supplier award

Gilson Brothers Co. received a Ford Tractor Operations outstanding supplier award for 1985. Only two such awards were presented out of 500 suppliers.

The basis for the award was a combination of outstanding product quality, engineering excellence and on-time delivery. Gilson supplies Ford Tractor Operations with a complete line of tractors, mowers, tillers, snowthrowers, logsplitters, heaters and commercial mowing equipment.

Porter Brothers acquires two companies

Porter Brothers Inc. has purchased Princess Anne Power Equipment Co. and Grower's Lawn and Garden Inc.

Princess Anne is an outdoor power equipment distributorship serving the Tidewater area of Virginia and eastern North Carolina. Grower's, Bluffton, S.C., is a turf equipment and supply company that serves the Hilton Head and coastal South Carolina areas.

Porter Brothers, Shelby, N.C., serves more than 3,500 customers in the Carolinas, Virginia, West Virginia and eastern Tennessee.

Briefs

- Bill Rousar, executive secretary of the Engine Service Assn., retired in October. He and others were responsible for the creation and development of ESA. Delores Morris replaced Rousar as executive secretary.

- Sensation Power Equipment Division, Gilson Brothers Co., is offering a comprehensive four-point credit program. The highlight of the program is a 90-day no interest, no payment feature. If the customer pays off the unit before the end of the period, he will not pay any interest. A finance charge ceiling for the program has been set at 18 percent per year.

- The American National Standards Institute has available for distribution copies of the ANSI B175.1-1985 American National Standard for power tools—Gasoline-Powered Chainsaws—Safety Requirements. Copies can be obtained by contacting the American National Standards Institute Inc., 1430 Broadway, New York, NY 10018, Attn: Sales Department.

- Mark A. Robideaux has joined the staff at Minnesota Stihl Inc. as manager of accounting.

- Jerry Stumbras has joined Lawn-Boy/Ryan as the corporate vice president and general manager of the Outdoor Power Equipment Group. He is responsible for all engineering, manufacturing and marketing functions. Stumbras was formerly group vice president, marketing, for Roper Outdoor Power Equipment.

- Murray Bender, vice president of sales and managing director of Murray Export Sales B.V., retired Feb. 1.

- Briggs & Stratton, Milwaukee, has been honored by the American Society of Agricultural Engineers. The corporation was recognized for the development of new technology with regard to innovative application. The OilGard system, a mechanism that automatically stops the engine when the oil level drops too low, received the award.

- Joel Anthony Casoria has been named co-op advertising manager for Snapper Power Equipment, McDonough, Ga.

- Roper Corp.'s board of directors elected Wayne Harris as vice president of sales and marketing. In this capacity Harris will be responsible for the overall sales and marketing efforts.

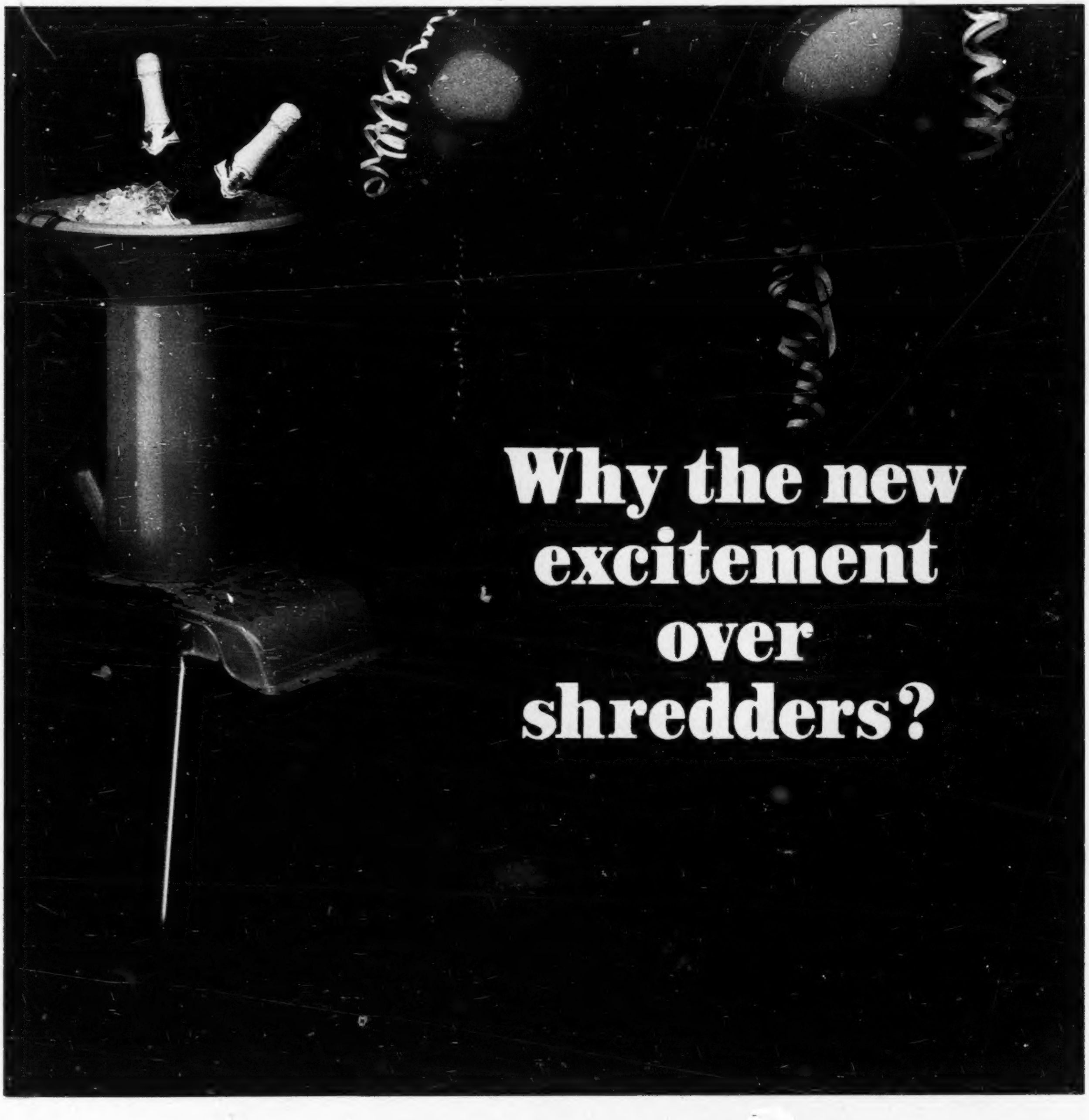
C4725-2

Lawn&Garden Marketing

APRIL/MAY 1986

Reports on: OPEDA meeting

Fall sales • Winter product movement



Why the new excitement over shredders?

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Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

APRIL/MAY 1986 VOL. 25,No.4 PUBLISHED 10 TIMES ANNUALLY

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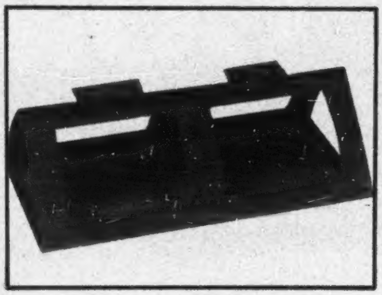

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Why the new excitement over shredders?

New state and local burning/trash disposal laws are helping to provide a renewed interest among consumers in shredders and grinders .... **page 6**

OPEDA members told to recruit, train dealers

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OPEDA membership grows

Although distributor market share has slipped, distributor membership in OPEDA has grown. Speaker Don Beveridge challenges distributors; Pete McConkey elected president.... **page 12**

Fall sales: a 5-year look

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Cover photo by Ron Anderson, Pitzner Studio. Shredder courtesy of AL-KO Kober Corp., Elkhart, Ind.

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National Equipment Servicing Dealers Assn. profiles the dealer in this first of a three-part survey; Canadian Tariff Board resumes hearings in May on dispute over lawn equipment classifications............... **page 40**

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New advertising, public relations program available for arborists; Homelite begins packaging 2-cycle oil in six-packs................ **page 42**

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JUNE:

- **Selling winter products**
- **Trim-a-tree**
- **Snowthrower sales update**
- **NHS information**
- **Expo 86 entertainment**

Postmaster: Return form 3579 to Lawn & Garden Marketing, P.O. Box 12942, Overland Park, KS 66212-0930.

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Fall sales: a 5-year look

Planting, cleanup and winterizing are consumer activities which offer fall marketing opportunities to imaginative suppliers and retailers of lawn and garden equipment.

By Steve Trusty

Suppliers are beginning to take note of increased potential in promoting lawn and garden products in the fall. One example is Ames Lawn & Garden Tools, Parkersburg, W. Va., which for the first time ever, will this year bolster its fall sales strategy by offering a fall rebate program to consumers.

Another company, Ross Daniels, West Des Moines, Iowa, is looking hard at its marketing plans and developing ideas specifically to promote fall sales. According to Larry Daniels, director of marketing for the company, Ross Daniels' fall business has increased steadily over the past five years. "Even though we were skeptical at first, we looked at (the fall planting program) as extending the season," he says.

Ames and Ross Daniels are two companies indicative of the interest many suppliers and retailers are showing in promoting fall lawn and garden products and activities. According to Bob LaRue of LaRue Marketing Consultants, what began with isolated regional programs has become a national movement, and the past five years have witnessed the evolution of the movement embraced by all segments of the lawn and garden industry. The bulb industry was the first major contributor to the Fall Is For Planting program.

A long way since 1981

The fall selling season has come a long way since 1981. LaRue was one of the original supporters of the national rollout of the Fall Is For Planting program, sponsored by The Planting Council. An article in the April/May 1982 issue of *Lawn and Garden Marketing* said, "A recent survey of retailers showed that bulbs were one of the few lawn and garden product lines to show an increase in sales in the fall of 1981."

While worldwide exports of Dutch bulbs have increased nearly 20 percent from 1981 through 1984, exports to the United States have increased more than 41 percent in that same period.

Bulbs are not the only segment of the industry that has benefited from this fall sales thrust. Many retailers and landscapers have reported increased fall business. Manufacturers, distributors and retailers of power equipment have benefited, as have the growers of green goods who have prepared for and promoted fall sales.

The Fall Merchandising Test

A 1985 study commissioned by the International FlowerBulb Center in Hillegom, The Netherlands, found that independent garden centers use 20 percent more sales aids in their stores when they are hand delivered by bulb suppliers rather than by conventional methods.

"The 20 percent increase," explained G.N.A. LePoole, the organization's managing director, "could significantly change the sales picture at these retail centers in the future."

The study also found that independent garden centers will almost always accept and use P-O-P material offered by bulb suppliers.

The study, called The Fall Merchandising Test, was conducted by LaRue Marketing Consultants of South Plainfield, N.J., and involved 200 independent garden centers in 40 markets across the United States.

"We knew that point-of-sale was an important link to the buyer," said LePoole. "What we didn't know was if independent garden centers agreed with us, or if they would be receptive to in-store assistance by specialists. Now we know they're agreeable to both."

Other highlights of the fall test included:

- *Retailers have identified the forgetfulness factor and are seeking to remind customers to buy and plant in the fall for their spring blooms;*
- *Successful selling seasons were as much attributed to the effective use of P-O-P as to good weather conditions;*
- *Independent garden centers are receptive to visits by sales personnel who can offer them assistance, and the centers will almost always display additional P-O-P material even well into the season when other material is already in place; and*
- *Informational brochures on bulb planting were found to be helpful and were often placed in high-traffic areas of the store.*

The conclusions of the fall test were drawn from a combination of retailer reports, personal interviews, in-store observations and telephone follow-ups. As part of the overall study of independent garden centers, the International FlowerBulb Center also studied garden center chains and found similar patterns for the use of P-O-P material.

Bulb exports from Holland to the United States

(in millions of bulbs)

	1981	1982	1983	1984	Average annual percentage increase	Four-year percentage increase
Tulips	178	187	204	232	9.3%	30.3%
Daffodils	37	37	47	58	13.7	56.2
Hyacinths	21	27	25	27	9.5	28.6
Crocuses	49	54	62	66	10.5	34.7
Muscari	15	17	19	22	13.6	46.7
Irises	57	57	74	100	21.6	75.4
Total	357	379	431	505	12.4%	41.5%

Source: Netherlands Flowerbulb Information Center/International Flowerbulb Center

There are many factors that affect fall sales. Adverse weather conditions in a given area probably hurt business more than excellent weather helps business. The local or regional economy also has a big effect on sales any time of the year but more so in the fall. And promotional efforts by the various links in the distribution line are a big factor.

While many people do not credit the Fall Is For Planting campaign as a major factor for the increase in fall sales, those who participated in it seem to be faring better than non-participants. In the fall 1985 *LGM* Product Movement Report, 40 percent of the respondents rated their fall selling season as good to excellent.

Yet, a survey answered by 264 members of The Planting Council, (formerly The Fall Planting Council), showed that 74 percent of the 264 respondents rated 1985 fall sales as good to excellent; 62 percent of these companies had an average increase of nearly 17 percent over 1984 fall sales. The survey represented 1,123 retail outlets with more than 6,000 employees. This indicates that the movement is having a positive effect on those embracing it and a limited benefit to those who haven't gotten behind it.

George Mikkola, development director of The Planting Council, reports a steady rise in both the number of retailers showing an increase in fall sales over the

continued...

REVOLUTIONARY RAINTOWER.
MAKES WATERING EASIER.
AND SALES SOAR.

THE FIRST OF ITS KIND.

RainTower sprinkler and stand is the first and only sprinkler designed to water over tall foliage to cover larger areas than ever before.

It covers up to 5,200 square feet from one convenient setting. This kind of coverage makes RainTower the next best thing to an inground sprinkler system.

QUALITY FEATURES FOR DEPENDABLE SERVICE.

- Easy to use, easy to move.
- Dual height setting—41" or 72".
- Wide tripod base for stability.
- Rugged galvanized steel construction.
- Folding tripod for convenient storage.
- Quality, adjustable sprinkler head.

DESIGNED TO SELL ITSELF.

RainTower is the result of extensive consumer research and testing to provide your customers with a sprinkler that takes the work out of watering.

Nothing has been left to chance.

Even the packaging has been pre-tested and contains all the hardhitting sales copy and bright colorful photos needed for RainTower to sell itself.

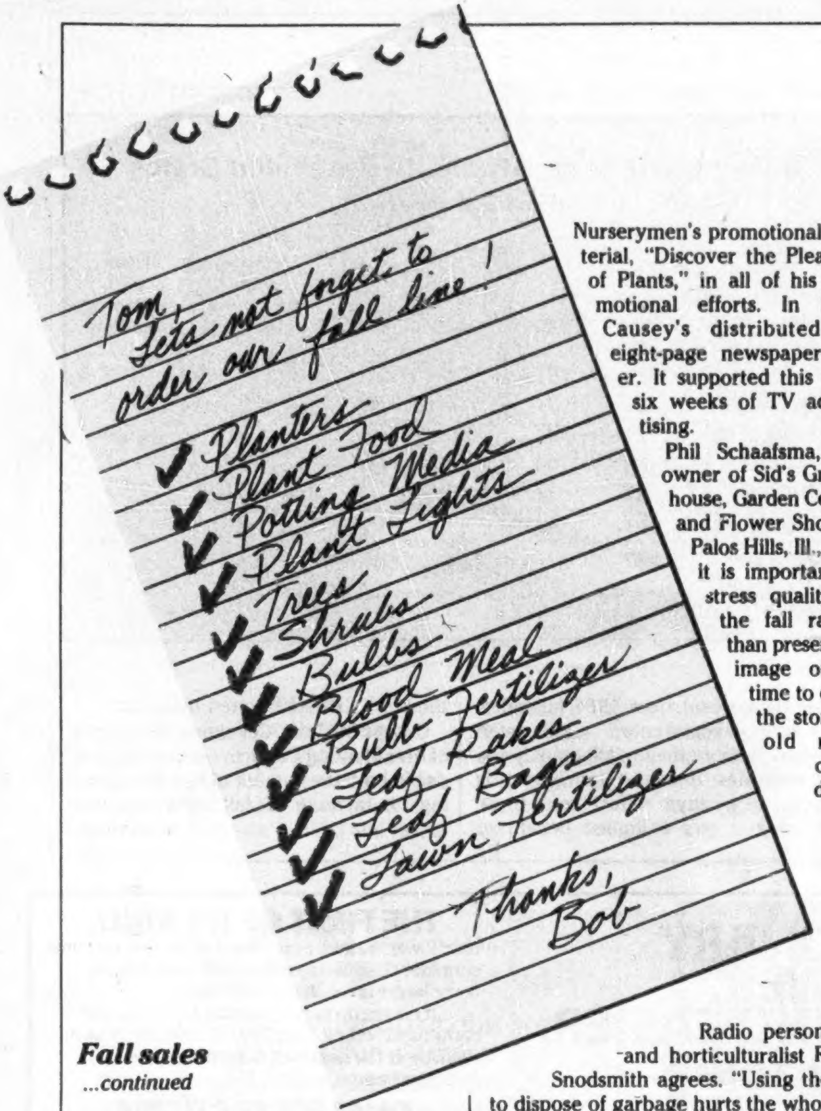
Call toll-free for more information on RainTower. And let this revolutionary new sprinkler take your sales to the top.

1-800-222-RAIN

WADE RAIN

P.O. Box 23666, Portland, OR 97223

Circle (9) on Reply Card


Tom,
Lets not forget to
order our fall line!
✓ Planters
✓ Plant Food
✓ Potting Media
✓ Plant Lights
✓ Trees
✓ Shrubs
✓ Bulbs
✓ Blood Meal
✓ Bulb Fertilizer
✓ Leaf Rakes
✓ Leaf Bags
✓ Lawn Fertilizer
Thanks,
Bob

Fall sales

...continued

previous years and the percentage of the increase. A 1985 Planting Council survey showed 30 percent of the respondents experienced an average 10 percent increase in 1982 fall sales over 1981; 48 percent experienced an average 12 percent increase in 1983 over 1982; and 5 percent had an average 16 percent increase in 1984 over 1983.

Retailers benefit

A few operations have shown even more dramatic results. J.D. Causey of Causey's Garden Centre in Wilmington, N.C., reports the following figures: In September, October and November 1983, sales were up 22 percent from 1982; for the same months in 1984, sales were up 26 percent over 1983; in 1985, sales were up 33 percent over 1984. And September, October and November sales represented 34 percent of the company's total business in 1985. (Causey's bulb business doubled in 1985 from 1984.)

Causey uses material from The Planting Council and the American Assn. of Nurserymen's promotional material, "Discover the Pleasure of Plants," in all of his promotional efforts. In 1985 Causey's distributed an eight-page newspaper flyer. It supported this with six weeks of TV advertising.

Phil Schaafsma, co-owner of Sid's Greenhouse, Garden Center and Flower Shop in Palos Hills, Ill., says it is important to stress quality in the fall rather than present an image of "a time to clear the store of old merchandise."

Radio personality and horticulturalist Ralph Snodsmith agrees. "Using the fall to dispose of garbage hurts the whole industry," he says.

Snodsmith says the fall program has come a long way but still has a long way to go. He has noticed an appreciable increase in questions about fall planting on his radio shows and during his personal appearances. Snodsmith believes it has been a lot easier to convince the consumer to become involved in fall planting than it has been to convince the retailer. "We need to educate our people (in the industry) not just the consumer," Snodsmith says. The better garden centers have been selling fall all along, he says, and everyone else needs to become involved.

Brad Nichols, president of Wilt-Pruf Products, Greenwich, Conn., says its product's sales have gone up appreciably over the past five years. He says interest in fall gardening has increased. "Gardeners are becoming more sophisticated and taking better care of their plants," he says. "They are also paying more attention to the garden writers and extension personnel."

Another indication of increased fall promotion comes from Michael Deitsch, director of marketing of Ames Lawn & Garden Tools. He says his company's co-op ad claims for fall are up. "Retailers are realizing they can promote in the fall," he says.

Deitsch believes the whole educational campaign is paying off. "The Planting Council has done a tremendous job with what they have had, but they need even more industry funded support."

There has been an increase in usage of the material available from The Planting Council. A survey of 1982 participants showed that 88 percent of the respondents used the all-weather banner; 93 percent of the respondents in the 1985 survey used theirs. In 1982, 50 percent of the respondents used the ad slicks; in 1985, 70 percent used theirs.

Pat Schlusser, executive director of the Pennsylania Nurserymen's Assn., says adjustments have had to be made by growers and distributors. At first, many were not geared to fall promotions. Stock wasn't available or shipments were not scheduled. "Marketing adjustments are now being made," she says.

The general consensus of her members is that there is an increase in fall business. "An added benefit of the extended season to the nurserymen has been their ability to keep more of their better people busy for a longer period of time," Schlusser says.

Blowers boast fall sales

One product category that has shown considerable growth in the past couple of years, and is expected to continue growing at a fast pace, is portable blowers. Fall is an ideal time to promote blowers because of their use for leaf cleanup.

Chip Cutler, sales manager for Steve Willard Inc., a Fairfield, N.J., distributor, reports that 60 percent of their blower sales are for fall business.

Willard has been a distributor for HMC/The Green Machine for the past five years and serves the New York metropolitan area. In that time, sales have quadrupled from the first year's sales.

According to Cutler, most of the growth has been in the last two or three years. He attributes the sales increase to greater consumer awareness and technological improvements. "The new generation of blowers is lighter weight, quieter, has increased power and is timesaving for the consumer."

continued...

Fall sales

...continued

Cutler predicts a 50 percent increase in blower sales for 1986 over 1985. He says the manufacturer has stepped up fall promotions each of the last three years, and each year has seen increased awareness of the blower and its uses in the fall.

Bill Chambers, director of marketing for The Green Machine, believes blowers will follow a sales pattern similar to the one experienced by spin trimmers. "As the consumer gets used to using the electric blowers, he will switch to the more versatile gas models."

Chambers says that while electric blowers showed a 61 percent increase in 1984 sales over 1983, gas-powered blowers showed an 83 percent increase.

Bulb merchandising monitored

In fall 1985, LaRue Marketing Consultants, on behalf of the Netherlands FlowerBulb Information Center (NFIC), visited approximately 100 independent garden centers in 17 states. Because LaRue has been observing garden center merchandising for a number of years, his firm was consulted to observe how the fall selling season has changed in the past five years.

LaRue found that 40 percent of the centers visited were using The Planting Council's sales aids. He also said that these aids were effectively integrated with those provided by suppliers and other associations. He detected a greater use of the AAN's materials with their season extending thrust.

LaRue believes that suppliers are getting more involved in fall programs. He cited one example of the use of the FIFP logo on fertilizer bags by Bandini. And LaRue has noticed somewhat better overall in-store merchandising by the retailers with a definite improvement for Dutch bulbs. "The bulbs are more visible and identifiable," he says. Sales aids are presented much better; sell-down activities were managed much better than in previous years, and the retailers are doing a much better job of consolidating the displays so the bulbs don't appear picked over: the total display area shrinks, but it still looks full.

More retailers are staging events to bring in fall customers, too. Those who have tried them are continuing them and, in many cases, expanding them. Some examples of events include: A scarecrow contest staged by Snipes Nursery of Morrisville, Pa., and a Halloween event staged by Hicks Nursery on Westbury, Long Island, N.Y. Gloria's Garden Center in Milford, Conn. started a tent event in 1982 and is continually expanding it. Many retailers center events around local or regional broadcast personalities.

LaRue believes there is more appeal to a "Dutch Day" or a Holland Happening" than there is to a "Fertilizer Festival." Although he says he is all for selling fertilizer, LaRue says, "Utilize the most appealing theme you can to sell all products."

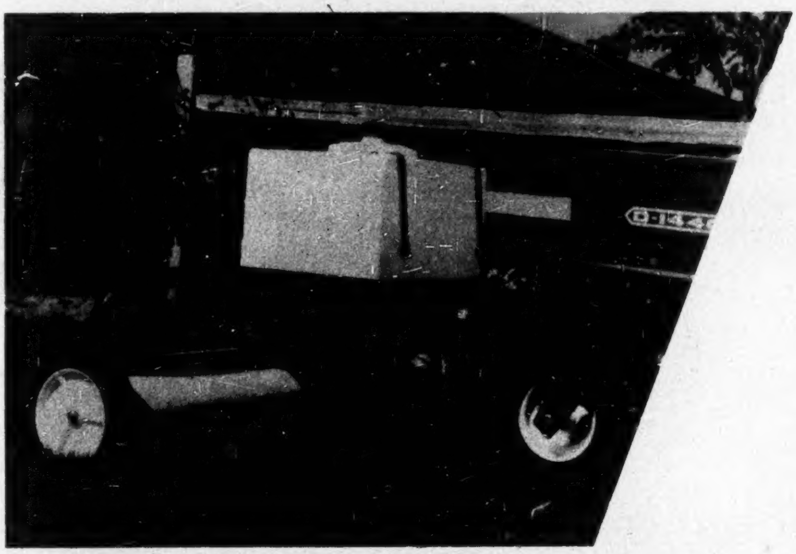
One area that could really be improved on, according to LaRue, is the management of information. He says garden centers need to concentrate consumer information in a central area. It is important to make the customer feel comfortable about seeking advice.

Although only about 40 percent of the centers visited by LaRue were pricing their bulk bulbs in multiples, this is an increase over previous years. Pricing in multiples encourages multiple sales, he says.

LaRue says he has seen an improvement in tie-in sales. Sid's Greenhouse, for example, tried a fall event for the first

continued...

Finally, chemical application that gives you and your customer a good spread . . .



Danville Express Direct-Lawn Applicator

You roll in profits while your customers roll on weed killer or fertilizer with the Danville Express.

For you, Danville Express leaves a beautiful, healthy bottom line. Easy to sell, easy to service. A great addition to your product line.

For your customer, Danville Express leaves a beautiful, healthy lawn. All four big pull-behind models and smaller 30-inch hand model feature our patented no-drift roller that lays chemicals even and deep without harmful overspray. Spreads where you want, nowhere else.

Starting a dealership is easy — just give us a call or write to find out about our Dealer program and new literature.

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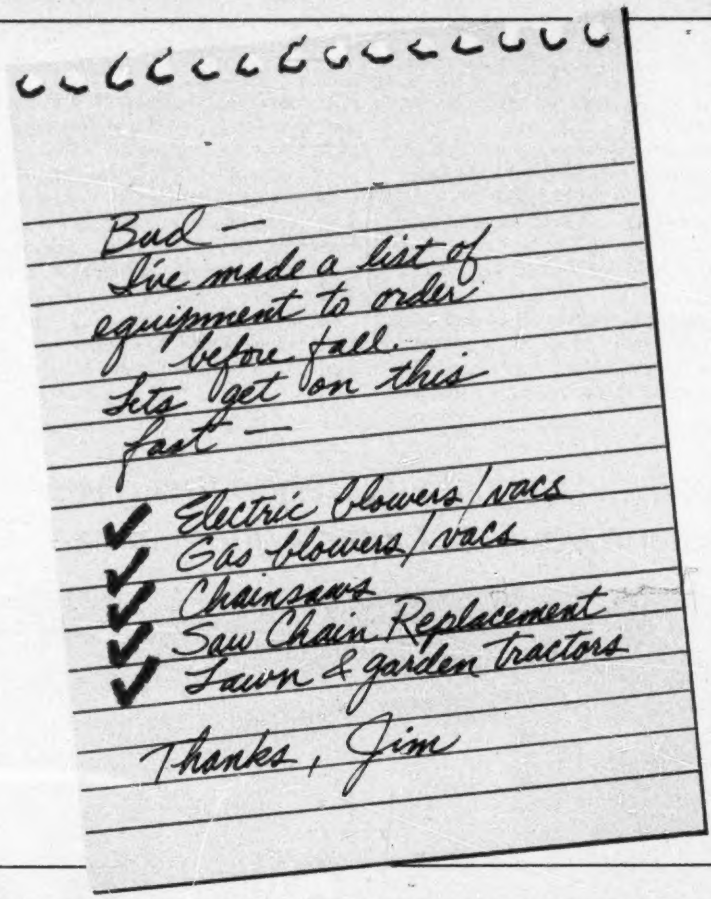


Bud —
I've made a list of
equipment to order
before fall.
Lets get on this
fast —

✓ Electric blowers/vacs
✓ Gas blowers/vacs
✓ Chainsaws
✓ Saw Chain Replacement
✓ Lawn & garden tractors

Thanks, Jim

Fall sales

...continued

time in 1985. Co-owner Schaafsma said the company budgeted $500-$600 for promoting a three-day event called "Dutch Days."

It had the Dutch flag and employees in Dutch costumes. Even though it rained that weekend it was still a successful event, and Sid's is planning a 10-day "Dutch Days" event for 1986 with a promotion budget of $2,000. Sid's hopes by spreading the event over two weekends, it can minimize the potential problems of bad weather. Although bulbs are the centerpiece of the promotion, all fall items sell well, according to Schaafsma.

The past five years have provided many examples of successful promotions and sales. The industry as a whole benefited from the efforts of a relatively few, farsighted individuals; the movement is blossoming.

While some have benefited more than others, the opportunity is there for extending the season; products and promotions are linking one season to another, helping retailers and suppliers alike approach their goal of year-round sales activities. —LGM

JIM'S
LAWN & GARDE
SALE
JIM'S
LAWN & GARDE
SALE
SALE

Sometimes the last thing you think about is who finances your inventory.

Product Movement Report

Winter 1985

While retailers continued to report increased sales of birdfeeders and replacement parts, most other product lines measured in the winter 1985 *Lawn & Garden Marketing* survey remained steady.

Significantly more retailers reported sales of birdfeeders up than reported them down compared to the winter 1984 season, obviously reflecting heavy snowfall in some regions of the country. Sales of birdfeeders are often directly related to the amount of snowfall during the season. More consumers feed birds when the ground is covered by snow.

Replacement parts sales continued to reflect the buyers' preference to repair old equipment rather than replace. More retailers reported sales up than down, although the trend does appear weaker than in previous seasons.

Kerosene heater sales, on the other hand, continued their downward spiral of previous seasons. Retailers indicated the product line was continuing the steady decline in sales that has been evident for several seasons. (See table.)

Retailers also said tractor attachment sales turned downward during the winter season. This is a slight change from the steady sales retailers reported a year ago.

Nationally, retailers indicated sales of snow shovels and indoor plant supplies were both relatively steady compared to sales in winter 1984. Sales of bagged melting compounds were only slightly higher according to the respondents.

Information about sales of trim-a-tree products and snowthrowers will be available in the June issue of *LGM.*

Sales in the Northeast tended to follow national trends with a couple of exceptions. More retailers reported sales of birdfeeders down than reported them up.

Slightly more retailers reported sales of snow shovels up than down, and sales of tractor attachments were steady, according to respondents.

Retailers reported these results in the seven product lines measured.

- **Birdfeeders:** 35 percent carry the line; 9 percent said sales were up, 14 percent said same and 12 percent said down;
- **Snow shovels:** 49 percent carry the line; 16 percent said sales were up, 21 percent said same and 12 percent said down;
- **Tractor attachments:** 46 percent carry the line; 7 percent said sales were up, 30 percent said same and 9 percent said down;
- **Replacement parts:** 54 percent carry the line; 21 percent said sales were up, 30 percent said same and 4 percent said down;
- **Bagged melting compounds:** 44 percent carry the line; 12 percent said sales were up, 21 percent said same and 11 percent said down;
- **Kerosene heaters:** 26 percent carry the line; an insignificant percentage said sales were up, 12 percent said same and 14 percent said down;
- **Indoor plant supplies:** 33 percent carry the line; 4 percent said sales were up, 25 percent said same and 5 percent said down.

North Central

In the North Central, retailers reported sales that followed the national trends closely. Sales of birdfeeders were

continued...

Winter product sales changes

(% of respondents)

	% carrying	% up	% same	% down
Birdfeeders	43.1	[illegible]	[illegible]	[illegible]
Kerosene heaters	31.8	[illegible]	[illegible]	[illegible]
Replacement parts	53.3	[illegible]	[illegible]	[illegible]

Heavy snows in some areas of the country helped increase sales of this category.

Same old story here, and fewer respondents carrying the line.

A repair-rather-than-replace philosophy among consumers seems to be giving this category a boost.

Source: LGM winter 1985 survey.
Based on 255 respondents indicating sales changes in each product category compared to winter 1984. Percentages do not add up to 100 percent because not all the respondents carry all the product lines.

Product Movement

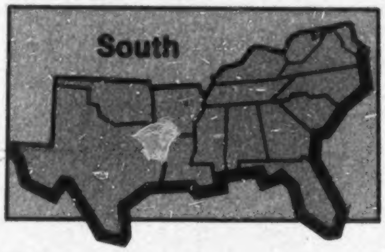
...continued

the strongest in this region.

Snow shovel and bagged melting compound sales also appeared slightly stronger than nationally.

These results were reported:

- **Birdfeeders:** 46 percent carry the line; 20 percent said sales were up, 19 percent said same and 6 percent said down;
- **Snow shovels:** 41 percent carry the line; 17 percent said sales were up, 13 percent said same and 12 percent said down;
- **Tractor attachments:** 39 percent carry the line; 8 percent said sales were up, 18 percent said same and 13 percent said down;
- **Replacement parts:** 63 percent carry the line; 17 percent said sales were up, 35 percent said same and 12 percent said down;
- **Bagged melting compounds:** 41 percent carry the line; 16 percent said sales were up, 17 percent said same and 9 percent said down;
- **Kerosene heaters:** 31 percent carry the line; 6 percent said sales were up, 10 percent said same and 16 percent said down;
- **Indoor plant supplies:** 36 percent carry the line; 7 percent said sales were up, 21 percent said same and 8 percent said down.



Retailers in the South showed a wide variance from the national trends in several product lines. While retailers indicated birdfeeder and replacement part sales were more up than down, the trend was weaker.

Snow shovel and bagged melting compound sales were at odds with national trends. While nationally retailers indicated sales were steady or up, in the South more retailers reported sales more down than up. A milder winter could be a factor in the region.

On the other hand, tractor attachments were steady rather than down, and indoor plant supplies showed increased rather than steady sales.

Retailer results show:

- **Birdfeeders:** 46 percent carry the line; 17 percent said sales were up, 15 percent said same and 14 percent said down;
- **Snow shovels:** 30 percent carry the line; 3 percent said sales were up, 14 percent said same and 14 percent said down;
- **Tractor attachments:** 18 percent carry the line; 5 percent said sales were up, 9 percent said same and 5 percent said down;
- **Replacement parts:** 49 percent carry the line; 17 percent said sales were up, 24 percent said same and 8 percent said down;
- **Bagged melting compounds:** 29 percent carry the line; 5 percent said sales were up, 14 percent said same and 11 percent said down;
- **Kerosene heaters:** 39 percent carry the line; 5 percent said sales were up, 14 percent said same and 21 percent said down;
- **Indoor plant supplies:** 46 percent carry the line; 11 percent said sales were up, 29 percent said same and 6 percent said down.

continued...

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Product Movement

...continued

Retailers in the West showed increased sales of birdfeeders, snow shovels, melting compounds and kerosene heaters. However, the means of measuring kerosene heater sales may not be accurate due to the small sample size.

Replacement part sales in the region also showed only steady sales rather than the increases seen in other regions.

Retailers reported these changes in winter sales:

- **Birdfeeders:** 45 percent carry the line; 14 percent said sales were up, 28 percent said same and 3 percent said down;
- **Snow shovels:** 38 percent carry the line; 14 percent said sales were up, 21 percent said same and 3 percent said down;
- **Tractor attachments:** 31 percent carry the line; an insignificant percent said up, 21 percent said same and 10 percent said down;
- **Replacement parts:** 48 percent carry the line; 7 percent said sales were up, 35 percent said same and 7 percent said down;
- **Bagged melting compounds:** 28 percent carry the line; 14 percent said sales were up, and an insignificant percent said the same or down; 14 percent did not indicate the amount of change;
- **Kerosene heaters:** 28 percent carry the line; 7 percent said sales were up, 17 percent said same and 3 percent said down;
- **Indoor plant supplies:** 31 percent carry the line; 10 percent said sales were up, 10 percent said same and 10 percent said down.

The winter 1985 survey results were based on 255 responses from four categories of retailers: garden center, hardware/home center, multi-department store and power equipment dealers. Respondents were asked to compare sales of product categories in winter 1985 to winter 1984. As a result of rounding, percent of change does not always total the percent carrying the line.

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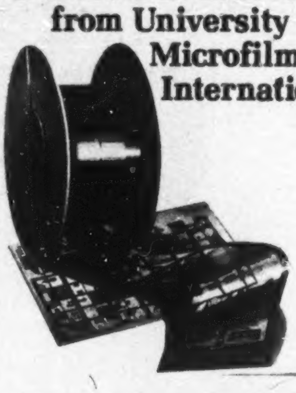

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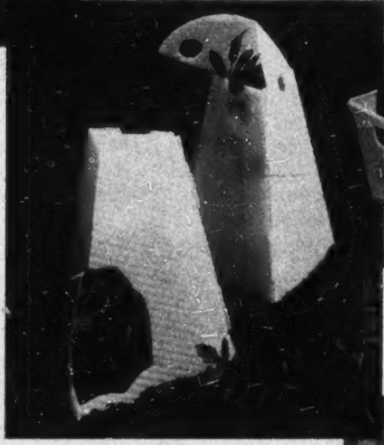

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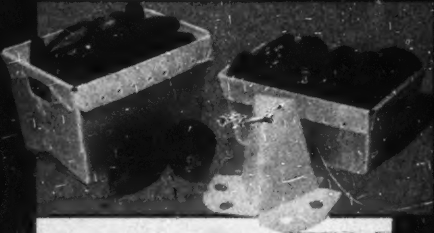

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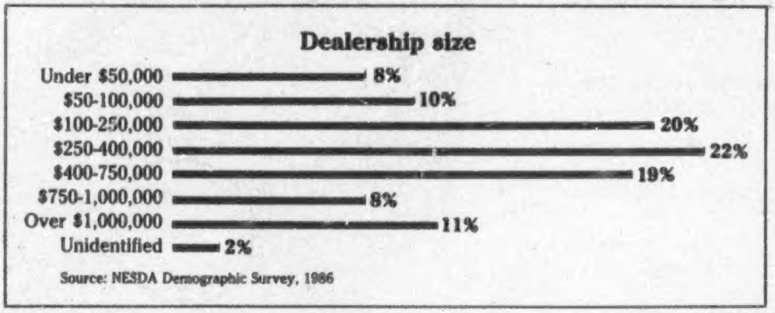
Power Equipment Report

NESDA survey profiles dealerships



Dealership size

Source: NESDA Demographic Survey, 1986

A survey of power equipment dealers shows 67 percent consider their dealership image to be sales oriented as opposed to 32 percent who consider it service oriented, according to the National Equipment-Servicing Dealer's Association's latest data.

The demographic survey, sent to 1,500 dealer members of NESDA, was designed to present a profile of the average dealer. "We are becoming respected as the national voice of servicing dealers," explains Norm Beck, NESDA executive director. "To fulfill that role, we have to know who our dealers are."

Almost every dealership with sales of more than $100,000 reported it has full-time employees, while almost all dealerships said they used part-time or seasonal employees.

Only about 4 percent of dealerships with sales of less than $750,000 employ outside salespeople; 37 percent of dealerships with sales of more than $750,000 use outside salespeople.

The customer profile of dealerships indicates a highly consumer-oriented business. Consumer business represents 79 percent of business in dealerships of less than $400,000 in sales and 72 percent in dealerships of more than $400,000 in sales. Landscape, institutional and government business represents only a small portion.

About 24 percent of dealers reported 11 to 15 years of experience in the business, while 21 percent indicated six to 10 years; 18 percent indicated 21-30 years of experience. About 14 percent said they had up to five years of experience, and the same percentage showed 16-20 years in business. About 8 percent reported 31-40 years of business experience, and 1 percent said 40 years or more.

This survey represents only the first of a three-part demographic study by NESDA. The second part asks about labor rates, training and advertising while the final part reflects dealer questions about other successful dealers. "Dealers want to know whether they are doing business the way other successful dealers do business," Beck says.

Canadian Tariff Board schedules May hearings

The Canadian Tariff Board recessed until May 5, when it resumes hearings on the classification of lawn and garden tractors for tariff purposes.

At that time, the board meets for two weeks of hearings to listen to arguments from U.S. industry. The U.S. industry supports classifying the equipment as tractors. If classified as tractors, the equipment is not taxed since agricultural equipment is exempt from tariff.

In December, the tariff board listened to the case in support of the current position. The position of the deputy minister of customs and excise basically states that lawn and garden tractors are power lawnmowers for customs purposes. Lawnmowers are subject to a 12 percent duty.

Representatives of the Outdoor Power Equipment Institute and several member companies are scheduled to testify at the May hearings. After the evidence is presented, there will be oral arguments and a decision by the board will be made one to two months later.

That may not be the end of the problem, however. If U.S. industry wins the case, it is possible customs may not be willing to implement the board's decision, or legislative action may be taken to reverse the board's decision.

Briefs

- The Agricultural & Industrial Manufacturers Representatives Assn. has scheduled its summer All Industry Appointment Session and Seminar for July 25-27. The meeting takes place in Louisville, Ky., just prior to the opening of the International Lawn, Garden & Power Equipment Expo, July 28-30.

- Simaver, the French garden equipment trade show, faced a depressed French market. The market for power tillers was described as collapsed while lawnmowers were down but only slightly. Domestic manufacturers in France are putting increased effort into new models.

- Excel Industries is offering a new dealer direct agreement for its line of utility mowers, separate from its standard Hustler line. Select dealers will deal directly with the factory and can look forward to national advertising and promotion support and floor plan assistance.

- Gilson Brothers, Plymouth, Wis., established a direct dealer marketing organization for the province of Quebec, Canada. Dealers will be offered the complete line of outdoor power equipment including floor plan and retail finance programs. Sales will be handled through Freniere Equipment Ltee, a Division of Rofrex Hydralique, Magog, Quebec.

- Kubota Credit Corp., Compton, Calif., has established an annual financing rate of 8.5 percent for customers purchasing G-Series lawn and garden tractors, B-Series compact tractors, primarily built for nursery, estate care and landscaping, L-Series tractors, used primarily for dairy farming, orchards, vineyards and ground maintenance, and KH-Series excavators.

- The Toro Co., Minneapolis, has acquired an interest in Olathe Manufacturing Inc., a Kansas-based manufacturer of commercial lawn and garden equipment. Under the agreement, Toro has the opportunity to acquire a significant but minority percentage of the voting stock of Olathe. The privately held firm will develop and produce accessories for Toro products, and Toro will provide marketing and distribution support for Olathe products.

- Randall S. Carter has been named regional sales manager for Snapper Power Equipment. Carter will cover Illinois, Michigan and part of Indiana.

- James P. Dunne has been named president of Solo Inc., Newport News, Va., the U.S. subsidiary of Solo Kleinmotoren, GMBH, Sindelfingen, West Germany. Dunne joins Solo after five years as sales and marketing manager for the Townsend Saw Chain Co.

C47252

Lawn&Garden Marketing

JULY 1986

Reports on: Briggs & Stratton venture

Expo 86 • Innovators and innovations

Lawn & Garden Marketing
86

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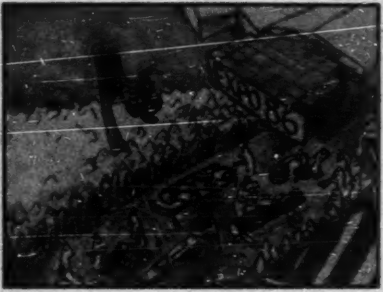
Lawn & Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

JULY 1986 VOL. 25, No. 6 PUBLISHED 10 TIMES ANNUALLY



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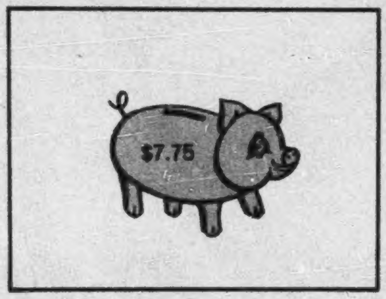

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Expo 86 will feature expanded exhibit and demonstration space and more dealer conveniences and seminar topics. . . . . **page 8**

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In addition to business activities, Expo visitors can take part in tours, a moonlight cruise and a picnic. . . **page 16**

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With the establishment of joint ventures with two Japanese companies, Briggs & Stratton plans to design new products and use new expertise . . . . **page 18**

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Because finding a better mousetrap is often a matter of perception, buyers at trade shows must know what, where and how to look for new products in order to make the search profitable . . . . **page 28**

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Cover illustration by Kendall Young.

AUGUST:

- **NHS coverage**
- **Improvements in watering products**
- **Spring Product Movement Report**
- **OPE report**

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Power Equipment Report

NESDA dealers report labor rates, advertising media

In the second part of the National Equipment-Servicing Dealers Assn. demographic survey, dealers reported a national average shop labor rate of $27.33 per hour.

According to the results, geography has a significant effect on rates. At $45, New Jersey dealers reported the highest rate, while Illinois and Pennsylvania reported the lowest at $14. In addition, dealers from 28 states had shop labor rates more than 10 percent above or below the national average.

Information from the three-part survey is being used to help define NESDA's role and the needs of its members, says Norm Beck, executive director.

"The survey helps us develop a profile of dealers so we know who we represent," he says. "Then, as issues come up, we can take a logical stand."

As well as shop rates, dealers reported typical wages. Trained mechanics ranked first at $7.75 per hour; parts managers make $6.69, and salespeople make $6.46 per hour. Apprentices earn $4.50.

About 65 percent of respondents said their employees are trained very well, and 34 percent said training was adequate. About 95 percent of dealers said training was obtained in the shop, and 77 percent said it was from distributor schools.

For employee benefits, 63.5 percent of respondents provide medical plans, and 16 percent provide pensions. A variety of other benefits were also reported.

The survey also asked dealers about advertising. While 91 percent advertise in newspapers, only 42 percent advertise on the radio, and 38 percent use shopping guides.

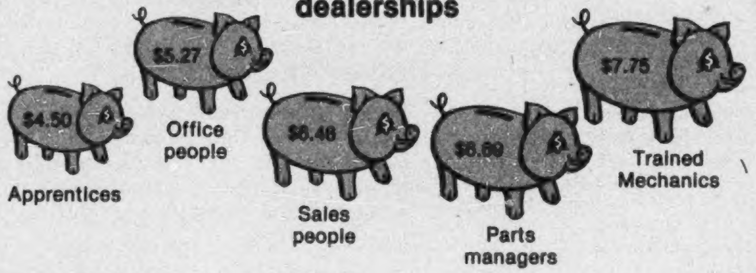
Each dealership also averages eight listings in the major telephone company Yellow Pages.

Dealers also ranked quality, profit potential, credit terms, being the first to have it and packaging as the most important features when considering a new product line.

In the final part of the survey, NESDA questions dealers about other dealers. "Dealers want to know whether they are doing business the way other successful dealers do business," Beck says.

Results will be published in an upcoming issue of *Lawn & Garden Marketing.*

Average per hour wages at service dealerships



Source: NESDA demographic survey 1986, Part II

Homelite film outlines position on safety

The Safe-T-Tip^R anti-kickback device from Homelite Division of Textron Inc., Charlotte, N.C., is celebrating its 10th anniversary.

To promote its safety leadership, Homelite has developed a six-point safety system that outlines its position on chainsaw safety within the industry.

A 10-minute film presents the six-point safety system and is supported with literature and promotional materials such as booklets, posters, data sheets, co-op materials and photographs. These materials come packed in a special Homelite Chain Safety Kit which is available to Homelite dealers.

In the kickback reaction, the chain at the upper quadrant of the guidebar nose takes too large a bite or makes contact with a solid object, causing the chainsaw to react in an upward arc back toward the operator.

The Safe-T-Tip device eliminates kickback in chainsaws. To date Homelite is the only brand featuring a device that totally prevents kickback.

Briefs

- Roland L. von Kaler was appointed vice president of the Peerless Gear Division of the Tecumseh Products Co., Grafton, Wis.

- Murray Ohio Mfg. Co., Brentwood, Tenn., appointed Jerry R. Smith as senior vice president, operations. He replaces Cromer Smotherman, former executive vice president and chief operating officer, who retired in December 1985.

- Ronald L. Akin has joined the staff at Dixon Industries, Coffeyville, Kan., as a customer service representative. Marty Embertson and Bob Kyle have been appointed territory managers. Embertson has been assigned to cover Washington, Oregon and part of Idaho. Kyle is responsible for central and southern Illinois.

- Didier Log Splitters, Milwaukee, appointed Richard Petfalski as sales manager for its line of hydraulic logsplitters.

- Sachs-Dolmar Division, Shreveport, La., named John Foster as service manager. Rolf Hall was also named eastern regional sales manager.

- The executive committee of the Texas Service Dealers Assn. has selected Virgil Russell to serve as full-time executive director.

- George R. Tiedens was appointed group vice president-power systems, and James M. Roenitz was named vice president-plumbing and specialty products North America for Kohler Co., Kohler, Wis.

- The Southwest Outdoor Power Equipment and Lawn/Garden Market is scheduled for Aug. 22-24 in the new 100,000 square-foot Exhibit Hall at Will Rogers Memorial Complex, Fort Worth, Texas.

- Lennart Erlandsson has been named president of the newly formed Pioneer/Partner Co. He will be responsible for long-range strategic planning for the chainsaw line in North America.

- Reed Usrey has been named the national sales manager for Echo Distributing/Canadian Branch.

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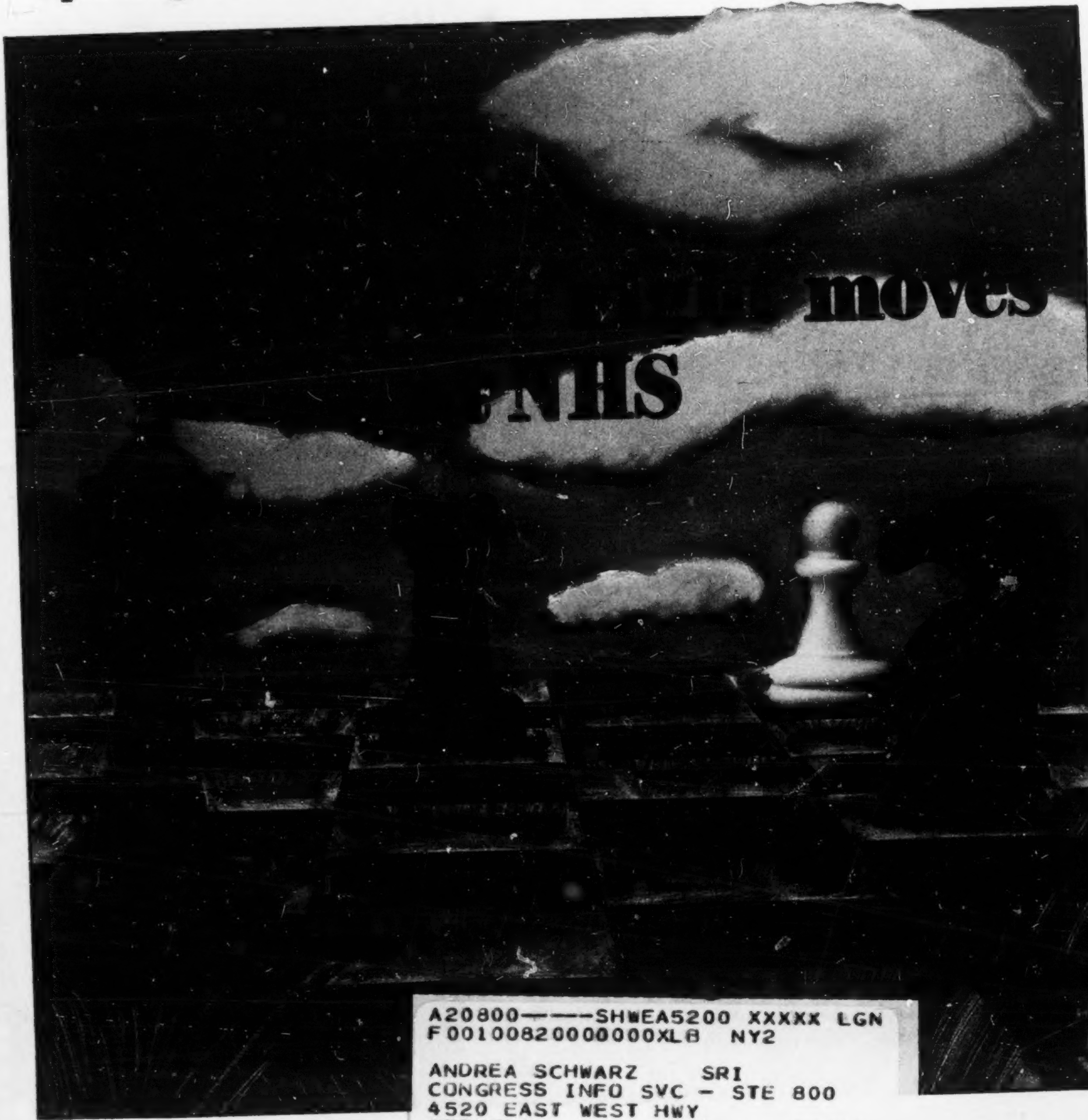
Lawn&Garden Marketing

AUGUST 1986

Reports on: 1987 forecast

Spring retail sales • Watering products



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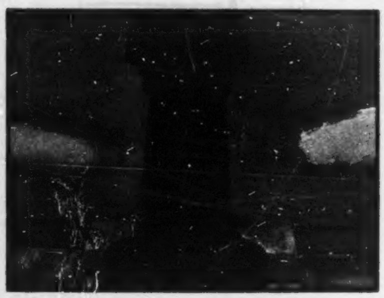

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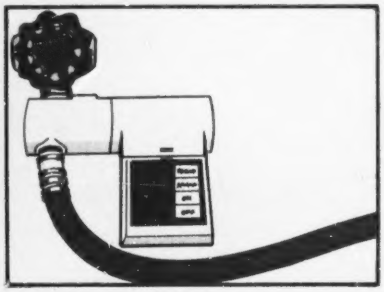

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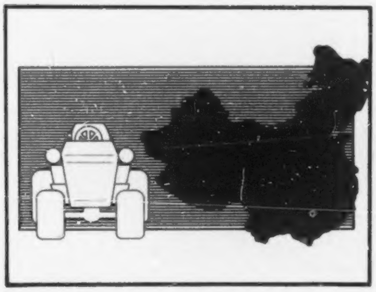

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1987 forecast

With renewed confidence, OPE members anticipate steady growth in the economy and in all product lines except rotary tillers for model year 1987.

For the past two years, manufacturers participating in the annual OPEI long-range forecasts have painted 1987 as a model year when sales and shipments would be off. But now as the 1986 model year winds up and bolstered by positive economic signs, manufacturers say 1987 will show improvements in most product categories instead of the previously expected decline in unit shipments.

The forecast was made by members who took into consideration seven key economic indicators, including annual housing starts which is an especially significant barometer for lawn and garden sales.

According to this forecast walk-behind mower shipments will increase in the 1987 model to a level of 5,395,000, the sixth consecutive year of increases for this product category.

Walk-behind mowers are the most basic product line, affecting the most retailers and the most consumers. Four other basic equipment lines, most of them higher-ticket consumer product lines than walk-behinds, are also forecast to gain in volume in the next model year. These four products are rear-engine riding mowers, lawn and yard tractors, garden tractors and walk-behind snowthrowers.

The forecast for the industry was given to the OPEI members and associate members at the annual meeting June 23 in Durango, Colo.

Walk-behind tillers, as in recent years, was the only product line which was not forecast to increase in volume. The industry outlook was presented to the OPEI members by John Peterson, president of Gilson Brothers Co., Plymouth, Wis. He explained that the outlook was based on returns of 16 questionnaires of 70 sent to manufacturers. This is the ninth annual industry outlook conducted by the association.

Industry shipments
In thousands of units
(Model years ending August 31)

	1982	1983	1984	1985	Projected 1986	Forecast 1987
Walk-behind rotary mowers	4600	4400	4950	5193	5319	5395
Walk-behind tillers	497	408	399	382	341	320
Rear engine riding mowers	261	276	354	355	372	386
Lawn and yard tractors	393	415	502	548	557	580
Garden tractors	146	129	152	147	142	149
Walk-behind snowthrowers	95	264	348	421	482	506

Source: 1987 OPE Industry Outlook

Summary of this industry

The following overview summed up the findings of the study as presented by Peterson to the OPEI members:

"The members have displayed a renewed confidence that their industry will move steadily forward in 1987 with the single exception of walk-behind tillers. This clears away the anticipated setback that the members had forecast, in the last two outlooks, to occur in 1987. Belief in the historical evidence that a healthy economy engenders a healthy OPE industry, and trust in a continuing favorable economy, have put the

continued...

Expo success spawns new OPEI show

Details of the success of the OPEI-sponsored Expo in Louisville, Ky., were described to members attending the association's 34th annual meeting in June.

Not only is the show a success as a marketing channel for the members and others exhibiting, but its financial success is underpinning two other major OPEI undertakings.

The OPEI will launch a second show—for the exhibit of equipment for the commercial market which will open in Dallas in November 1987. And it has moved to acquire its own building as association headquarters which will be occupied in 1988. The OPEI is now headquartered in Washington, D.C. The new office will be in Alexandria, Va.

Forecast

...continued

members in a bullish mood in their assessment of the industry for the remainder of this decade.

"The continuing decline of tillers is the only descending market. It dropped 9 percent in 1985, and is forecast to continue its downward movement at a 6 percent rate for 1986 and 1987. The tiller market slide is reflective of changing demographics, lifestyles and housing preferences.

"The extended forecast shows the numbers from the past two outlooks, as well as the current projections, to illustrate the positive attitude shift by the members in longer range expectations for 1987 and beyond."

And, despite the many variables and the uncertainties involved with forecasting consumer behavior and sales, the OPEI members learned that the projections for the 1985 model year, at least, were very much on target.

The projections for shipments of walk-behind mowers and tillers for that year were: 5,517,000 units and actual shipments were close to that: 5,555,000 units. Projected shipments of riding units were 1,063,000 units and actual shipments were 1,050,000 units. The overall outlook for the economy from the OPEI member viewpoint can be described as optimistic, but not necessarily bullish. Here is what the report presented by Peterson had to say about the economy in general:

"The members look at the economy that will provide the environment for the 1987 model year with conservative optimism on average, with the gross national product moving up by 2.8 percent, but with no indication of it thwarting the industry's forward progress.

"The industry's belief in its own momentum is revealed in the averaged shipment expectations for the coming year. Certainly an encouraging stimulant.

"Members say producer prices will move upward more aggressively than in the past year, which usually exerts pressure on consumer prices. They go on to indicate that disposable personal income will rise also, which may cushion some upward price movement, if not too widespread. Expected continued downward trending of the interest rate,

continued...

Commercial turf care industry shipments

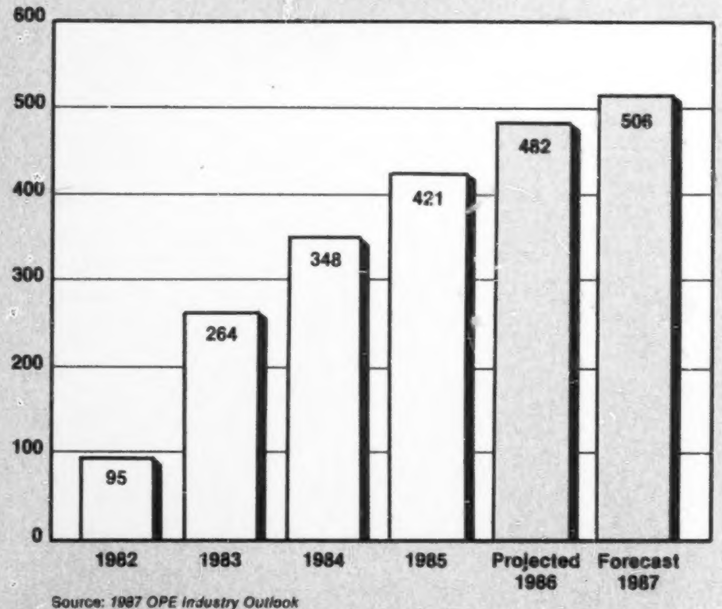
In thousands of units
(Model years ending August 31)

	1983	1984	1985	Projected 1986	Forecast 1987	Range
Walk-behind rotary mowers	86.3	112.6	110.5	111.8	117.4	105-120
Riding rotary turf mowers	9.8	11.5	16.4	17.3	18.8	15-20
Riding reel mowers	2.8	3.4	N/A	3.1	3.7	3-5

Source: *1987 OPE Industry Outlook*

Walk-behind snowthrowers

In thousands of units



Source: *1987 OPE Industry Outlook*

The Outdoor Power Equipment Institute reports an increase of 14.5 percent in total snowthrower shipments by U.S. manufacturers (both OPEI members and non-members) for the 1986 model year, ended Feb. 28, 1986.

Manufacturers shipped 482,000 single- and two-stage units in comparison to the 1985 model year shipments of 421,000.

Early season snowfall in many parts of the country boosted retail sales. Generally reduced inventories are resulting in a positive sign for a strong 1986-87 snowthrower season.

The factory value of the units shipped is $165 million, an increase of 14.6 percent over last year's factory shipment value of $144 million. Unit shipments of snowthrowers for model years 1982 through 1987 forecasts are shown above in the accompanying table.

Forecast
...continued

also is consistent with maintaining a strong economy.

"If there is one thing the members are as good at as any of the leading professional economists, it is demonstrating the ability to disagree. But views are changing rapidly, and those that looked reasonable to forecasters in the last quarter, in some cases in the last month, are now suspect.

"For example, both Chase and the members saw producer prices significantly off the bottom, and heading back up in 1987. Chase projected that to occur in 1986, a few months ago. Now, many professionals are calling for a negative 1 percent in producer prices for the year; and consumer prices, some now say, will be up 1.6 percent for 1986. Chase was looking for a 2.2 percent increase in producer prices for the economy as a whole in 1986, with a slight pullback to 2.1 percent in 1987. The members, on the other hand, are forecasting 2.8 percent on average, with a spread from between 1 percent and 8.5 percent for the upcoming model year, 1987."

—LGM

Key Economic Indicators
(Model years ending August 31)

	1982	1983	1984	1985	Projected 1986	Forecast 1987
Gross National Product (% real growth in 1982 $)	−1.9	1.4	7.0	2.9	2.5	2.8
Consumer Price Index (% increase)	7.8	4.0	2.1	3.9	2.2	2.8
Producer Price Index (% change cost of finished goods)	4.3	2.1	1.7	0.6	2.0	2.8
Disposable Personal Income (% real growth 1982 $)	0.5	2.2	6.0	2.3	1.8	2.3
Housing Starts (millions of single & multiple units)	1.10	1.08	1.70	1.77	1.74	1.80
Unemployment Rate (% of workforce)	7.5	9.6	9.4	7.4	7.1	6.8
Prime Rate (% average for the year)	18.9	14.9	10.8	12.0	9.9	9.4

Source: 1987 OPE Industry Outlook

OPEI elects new officers

During its 34th annual meeting, the Outdoor Power Equipment Institute elected new officers.

B. Duane Bustle, president of Kee Manufacturing Co., Bradenton, Fla., was elected president of the association.

Since 1973, Bustle has been president of Kee, which produces walk-behind mowers, edgers, garden carts, underwater weed cutters, chainsaws and spin trimmers. Kee is also a riding mower distributor.

"As president of a smaller company, my appointment shows that OPEI continues to provide an environment in which small companies and the giants of the industry can work side by side to achieve the common goals of the association," says Bustle. "This year should be one with great accomplishments based on the exciting plans under way to meet the current and long-range challenges of the industry."

Association members also elected John Munn, president of Wheel Horse Products Inc., South Bend, Ind., to serve as vice president.

"I am delighted to serve on the executive committee of the association. I am particularly interested in one of the new responsibilities I will have—the future plans aspect of OPEI," Munn says. "It is certainly premature for me to elaborate on what those future plans involve at this point, but I doubt that our priorities will change much from our current three S's—safety, statistics and shows."

Wheel Horse manufactures riding mowers and attachments. Munn has served as president since March 1982. He is on the OPEI board of directors and served as chairman of the technical advisory committee during fiscal 1986. As vice president of OPEI, Munn is responsible for the convention activities and planning efforts for the association.

William Brown, president and chairman of the board for Western International, Des Moines, Iowa, was named secretary-treasurer for a second term.

Western International produces mowers, tractors, tillers, snowthrowers and other products, and Brown has served as president since 1977. In 1982 Brown and other executives purchased Western International from AMF Inc., and he became chairman.

As secretary-treasurer he will oversee the financial activities of the association and serve as chairman of the finance and budget committee.

The term for each of the OPEI officers is one year according to the association's bylaws.

—LGM

Product Movement Report

Spring 1986

The eight product lines measured in the spring 1986 *Lawn & Garden Marketing* survey continued to follow the trends of a year ago. Retailers again reported sales up for all product lines except rotary tillers.

More retailers continued to report rotary tiller sales more down than up. This has been the case for the past several years, and may be attributed to smaller gardens with less need. Market saturation is also a factor.

Sales of grass seed and lawn fertilizer appeared to be significantly higher according to retailers. This may be a result of warm weather early in the year in many regions.

Packet seed sales were also strong, retailers said. Reports indicate the weather again had an effect. Flower seeds seem to have made an especially strong showing before sales slowed in late March and April.

Garden tool sales also increased, retailers reported, although the trend appears slower than in previous seasons.

Walk-behind mowers and riding mowers/lawn tractors continued a slow steady growth nationwide; however, retailers reported weaker sales in some regions.

The repair rather than replace philosophy remains in evidence with sales of replacement parts on the increase, according to responding retailers.

According to retailers, the Northeast tended to follow national sales trends. In some product lines, however, the trend was stronger than it was nationally.

More retailers in the Northeast said sales of garden tools, lawn fertilizer, grass seed and walk-behind mowers were higher.

Sales of packet seed in the Northeast appeared sightly weaker, but more retailers reported sales up than did down.

Sales of riding mowers/lawn tractors were slightly higher while rotary tillers and replacement parts sales each were similar to national results for those lines.

- **Garden tools:** 59 percent carry the line; 34 percent said sales were up, 15 percent said same and 10 percent said down;
- **Lawn fertilizer:** 49 percent carry the line; 28 percent said sales were up, 16 percent said same and 5 percent said down;
- **Grass seed:** 56 percent carry the line; 30 percent said sales were up, 23 percent said same and 3 percent said down;
- **Packet seed:** 46 percent carry the line; 11 percent said sales were up, 28 percent said same and 7 percent said down;
- **Walk-behind mowers:** 66 percent carry the line; 38 percent said sales were up, 20 percent said same and 8 percent said down;
- **Riding mowers/lawn tractors:** 56 percent carry the line; 31 percent said sales were up, 18 percent said same and 7 percent said down;
- **Rotary tillers:** 51 percent carry the line; 12 percent said sales were up, 21 percent said same and 18 percent said down;
- **Replacement parts:** 72 percent carry the line; 38 percent said sales were up, 31 percent said same and 3 percent said down.

continued...

Spring product sales changes

(% of respondents)

	% carrying	% up	% same	% down
Packet seed	40.4	14.0	20.0	6.4
Riding mowers/ lawn tractors	62.4	27.6	18.8	16.0
Rotary tillers	58.8	11.6	28.0	19.2

Strong flower seed sales and good weather early in the year helped this product line.

Although up overall, a weakened economy in the South may have prevented similar increases there.

Smaller gardens and market saturation have caused this line to continue its decline.

Source: LGM spring 1986 survey.

Based on 250 respondents indicating sales changes in each product category compared to spring 1985. Percentages do not add up to 100 percent because not all the respondents carry all product lines.

Product movement
...continued

North Central

Sales in several product lines in the North Central region were slightly better than national figures.

Retailers reported the trends in sales of lawn fertilizer, packet seed and replacement parts were slightly stronger.

Walk-behind mower sales were also significantly higher in the region.

On the other hand, sales of garden tools were almost steady rather than increasing as in the national figures.

•**Garden tools:** 55 percent carry the line; 10 percent said sales were up, 36 percent said same and 8 percent said down;

•**Lawn fertilizer:** 52 percent carry the line; 24 percent said sales were up, 23 percent said same and 5 percent said down;

•**Grass seed:** 51 percent carry the line; 20 percent said sales were up, 23 percent said same and 8 percent said down;

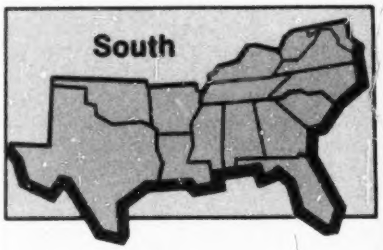
•**Packet seed:** 35 percent carry the line; 17 percent said sales were up, 14 percent said same and 4 percent said down;

•**Walk-behind mowers:** 73 percent carry the line; 41 percent said sales were up, 26 percent said same and 7 percent said down;

•**Riding mowers/lawn tractors:** 64 percent carry the line; 27 percent said sales were up, 20 percent said same and 17 percent said down;

•**Rotary tillers:** 61 percent carry the line; 11 percent said sales were up, 33 percent said same and 17 percent said down;

•**Replacement parts:** 72 percent carry the line; 41 percent said sales were up, 31 percent said same and an insignificant percentage said down.



The South showed the weakest results of any region with retailers reporting sales of several product lines only steady.

One Lafayette, La., retailer, in addition to reporting lower sales of walk-behind mowers and riding mowers/lawn tractors, said, "Free service is down 100 percent. Anxiety and lost sleep is up 30 percent."

This attitude may be a result of a weaker economy in the South and lower sales as a result.

Sales of lawn fertilizer, walk-behind mowers and riding mowers/lawn tractors were reported to be about the same. The percentage of retailers indicating sales were up was slightly lower in other product lines.

•**Garden tools:** 61 percent carry the line; 18 percent said sales were up, 30 percent said same and 13 percent said down;

•**Lawn fertilizer:** 46 percent carry the

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line; 13 percent said sales were up, 21 percent said same and 12 percent said down;

- **Grass seed:** 43 percent carry the line; 17 percent said sales were up, 17 percent said same and 9 percent said down;
- **Packet seed:** 40 percent carry the line; 13 percent said sales were up, 18 percent said same and 9 percent said down;
- **Walk-behind mowers:** 72 percent carry the line; 22 percent said sales were up, 26 percent said same and 23 percent said down;
- **Riding mowers/lawn tractors:** 72 percent carry the line; 22 percent said sales were up, 26 percent said same and 23 percent said down;
- **Rotary tillers:** 61 percent carry the line; 12 percent said sales were up, 25 percent said same and 25 percent said down;
- **Replacement parts:** 70 percent carry the line; 27 percent said sales were up, 33 percent said same and 10 percent said down.

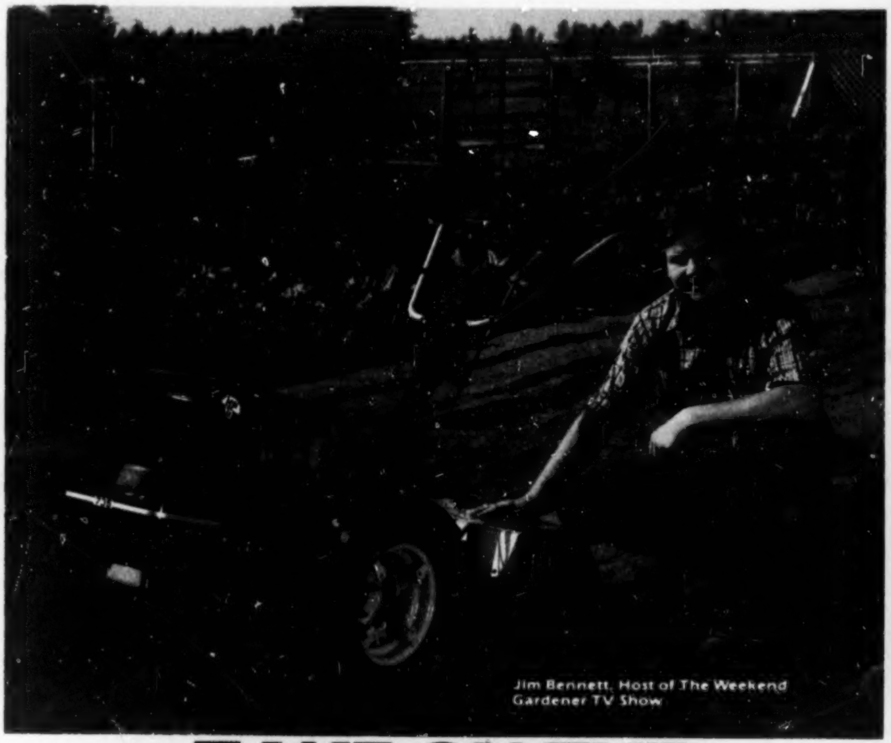
Most product lines in the West closely paralleled the sales trends reported nationally by respondents.

The West was the only region, however, in which more retailers reported sales of rotary tillers were up than reported them down.

Significantly more retailers in the West also indicated higher sales of replacement parts than did retailers nationwide.

- **Garden tools:** 77 percent carry the line; 19 percent said sales were up, 46 percent said same and 12 percent said down;
- **Lawn fertilizer:** 54 percent carry the line; 23 percent said sales were up, 23 percent said same and 8 percent said down;
- **Grass seed:** 54 percent carry the line; 19 percent said sales were up, 35 percent said same and an insignificant percentage said down;
- **Packet seed:** 46 percent carry the line; 12 percent said sales were up, 27 percent said same and 8 percent said down;
- **Walk-behind mowers:** 81 percent carry the line; 42 percent said sales were up, 19 percent said same and 19 percent said down;
- **Riding mowers/lawn tractors:** 62 percent carry the line; 27 percent said sales were up, 27 percent said same and 8 percent said down;
- **Rotary tillers:** 65 percent carry the line; 15 percent said sales were up; 39 percent said same and 12 percent said down;
- **Replacement parts:** 73 percent carry the line; 50 percent said sales were up, 23 percent said same and an insignificant percentage said down.

The spring 1986 survey results were based on 250 responses from three categories of retailers: garden centers, hardware/home centers and power equipment dealers. Respondents were asked to compare sales of product categories in spring 1986 to spring 1985. As a result of rounding, percent of change does not always total the percent carrying the line.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Lawn&Garden Marketing

SEPTEMBER 1986

Reports on: Franchising

Time management • Trends in signage

Missing pieces

Do multi-department stores have them?

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Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

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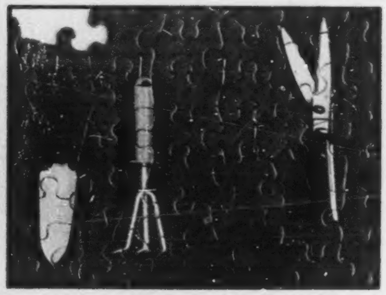

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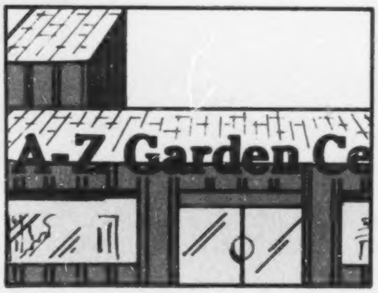

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Some multi-department retailers have identified missing pieces to their lawn and garden merchandising strategies and are working to provide a more complete picture to meet consumer needs for those products ....**page 6**

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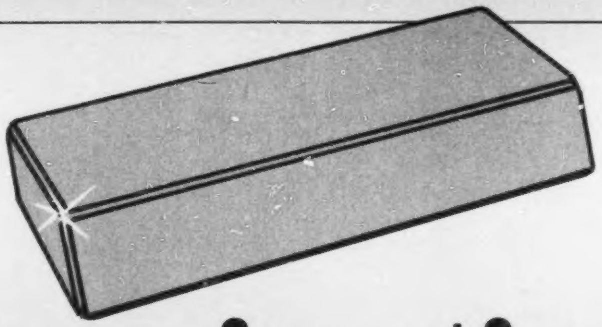

Turning time into gold

Accurately capturing and billing technicians' time on each job in the service department may be the tool retailers need to help them strike it rich in this often neglected vein of the business.

By Mark R. Hinrichsen

Time is money. For retail service departments, this old aphorism is more appropriate than ever. The truth is that *time is money.*

With the ever-increasing costs of doing business in a competitive market, managers are looking for ways to fine tune their operations. This fine tuning is necessary for the competitive edge over competition, yet even more necessary for survival.

One of the most consistently neglected profit-making centers for retail lawn and garden stores is the service department. Service departments in small retail dealerships (five or fewer employees) seem to be considered by owners/managers as a necessary evil. This conclusion is based on the bottom line which consistently shows a yearly loss. However, these losses generally come from inaccurate accountability of the service department time.

Because time cannot be held, touched or kicked, it is easy to overlook as if it were something that isn't there. Time, however, must be treated just like any piece of equipment on the showroom floor. It must be inventoried, dispersed and charged out as any commodity.

The one commodity service departments have to sell is *time.* Too often, service technicians perform labor (time) that is not captured or billed. If time spent on a job is not captured and subsequently billed, the department has lost money.

The biggest obstacle retail dealerships face in capturing this time is twofold; first, there are no formalized time-capturing procedures; second, those time accountability systems available require burdensome paperwork and massive amounts of time to operate.

The importance of correctly capturing and subsequently billing out service technicians' time is to reflect *accurately* the service department's profitability.

Owner/managers of these retail establishments make purchasing, employment, and expansion decisions based on profit and need. Service departments will not be upgraded and higher skilled technicians will not be hired if this department consistently shows a loss. As long as the service department upgrading continues to be ignored based on inaccurate profitability reports, the result will be substandard service provided to customers and eventual loss of business.

If the management does not accurately capture and bill out service technicians' time for customer labor as well as internal labor, the loss that is shown is not a true reflection of the service department's performance.

This skewed performance reflection might make the owner/manager overlook the actual cause of this nonprofitability and shift his focus away from where the problem is actually occurring.

Time accountability in retail service departments is as necessary as special tools are for the technicians. Often managers do not recognize this type of need for various reasons.

One reason given is "I've run the shop this way for 20 years with no problems, so why should I change?" This nonprogressive attitude can be the swan song for many dealers as we progress into the 21st century.

Consumers are now demanding more from service departments on their more expensive and complex machines. This higher quality service requires retail service departments to spend more money on upgrading their departments and technicians.

The criteria

Establishing a realistic, workable time accountability system for a service department requires several specific steps. Each step is a building block for the entire system. However, one ingredient that is essential to the success of a time accountability system is commitment.

The owner or manager must be committed to the goals and function of this system. Gaining the commitment requires understanding these functions of managing the service department time.

It must be noted that this program is geared for the small dealership. All too often new programs are focused in on the larger operations neglecting smaller operations. It is just as important, if not more important, for the smaller operations to be as efficient as the larger ones. These principles, however, apply to any service-related organization where the main commodity sold is time.

Several important criteria must be followed for a successful service time accountability program. Before installing such a program, some analysis of how the department is currently running

continued...

must be made.

It is possible that some monetary expenditures must be made at the outset, but the potential increases in your service department's efficiency will more than offset these initial costs.

One of the features of a service time management program, which is used for pay increases, is the quantitative performance criteria for the technicians.

These performance criteria should be divided into logical performance levels. This requires an analysis of what the management feels is necessary in efficiently performing the job of a service technician in different skill levels.

These performance levels are used not only to evaluate the progress of each technician but are used for pay increases. Each level should have a pay range, and as the technician is able to accomplish half of the prescribed criteria, the pay is increased by half of the pay range.

Efficiencies of each technician also mandated in these performance criteria, also give more accurate quantitative measures of performance than ever before. In this manner, technicians are responsible for their raises as outlined in the performance criteria.

Obscure management decisions on raises are now replaced by clear and concise guidelines. With this system, service departments are now paying technicians relative to their worth. Conversely, in a system of this nature, a technician's pay can decrease if his performance decreases.

It is essential that each performance level is realistically obtainable with no restrictions on the time each level can be achieved. This will provide incentive to the service technicians to strive for improvement, thus upgrading their level and pay.

Closed work order system

In a time accountability system, it is necessary that a closed work order system be established. A closed work order system means when a work order is closed out (labor and parts totaled and final charges recorded), that work order can never again be used for adjustments that occur after this closing out process.

Any adjustments made after a work order is closed (adjusting time, customer complaints etc .) must be done on a separate document. This allows proper capturing, accountability and billing to the appropriate department responsible for the adjustment. Adjustments can, of course, be made on the work order before it is closed out and will be shown on the weekly time recap sheet.

Time accountability checklist

Perhaps the best way to determine if your retail service department needs time accountability is to answer the following questions:

☐ *Is there 100 percent accountability for all service technicians' time?*
☐ *Can the service technicians' time be categorized in areas spent?*
☐ *Are delays in the service department tracked and accounted for?*
☐ *Do the service technicians clock in and out on each and every work activity?*
☐ *Are job descriptions used for service technicians?*
☐ *Are standard quantitative technician performance criteria established for technicians of different levels?*
☐ *Are technicians' raises based on sound managerial information and not subjective analysis?*
☐ *Are technicians paid based on their performance?*
☐ *Are jobs billed out to customers based on flat rates?*
☐ *Is internal work performed by the service department billed out at full retail labor rate to the appropriate department?*
☐ *Is the true bottom line of the service department known?*

If the answer is no to many of these questions, then accurate accountability of the service department's time is not taking place. Initiating an accountability program will put the service department on the road to more profits.

Four categories of time

The dealership must thoughtfully analyze how its service technician's time is used in the entire scope of dealer operation. By using this analysis, a time framework can be established. By using this framework, the manager can categorize where the time is being spent.

These categories fall into four general areas:

- **cash labor;**
- **internal repair work;**
- **internal labor; and**
- **delays.**

Cash labor generates cash for the service department. This includes customer repair work or manufacturers' warranty repair. These jobs fall under flat rates. Cash labor will generally generate about 50 percent of the overall service labor revenue for the service department.

Internal repair work can fall under flat rates. Examples of these jobs are: used reconditions, used warranty, new set up and predelivery, delivery expense and reworks.

Internal labor is not under a flat rate. Examples of these are service expense, building and ground maintenance, service work for sales, and service work for parts.

Delays are extremely important to track and analyze. The more a manager can identify and eliminate delays, the more time is available to bill. Delays will vary, depending on the service department structure, but typically they are: administrative delays, customer delays, staging delays, parts delays or instructional delays.

The codes used for each of these time categories should be simple and understandable. Three letter designations for cash-generating times can be highlighted against two letter codes for all other labor. For example, Customer Repair Orders can be designated as CRO, whereas Used Reconditioning (internal labor) can be designated as UR. These codes are developed for all of the time categories including delays and internal work. The number of codes developed will be proportional to the scope of the dealership operation.

Flat rates

There are many incumbrances that service departments and technicians face in daily operation. Because of these many variables, it is important that one consistent factor be used in measuring relative performance. Flat rates are this consistent factor.

Flat rates are the one main yardstick that can be used for measuring performance no matter what else is happening at the service level. Not all jobs can fall under the realm of a flat rate, but all efforts must be made to use these rates on a consistent basis. Jobs such as washing and waxing machines for the showroom floor, uncrating new machines, even washing windows can have set flat rates.

The underlying idea here is when technicians perform above these established guidelines (over 100 percent efficiency) or "beat flat rate," they will be correspondingly compensated. There is no incentive to hustle when there are no rewards. This is the importance flat rate plays in a time accountability system.

Billing out on a flat rate basis is a very equitable incentive pay structure for both the dealership and the technicians. In this system, the technicians are paid an hourly wage (as determined by the pay scale ranges in the performance criteria) on the flat-rate hours billed. They are, however, paid their normal hourly wage for jobs that do not fall under the flat rate codes, for example working a sales show for the sales department.

continued...

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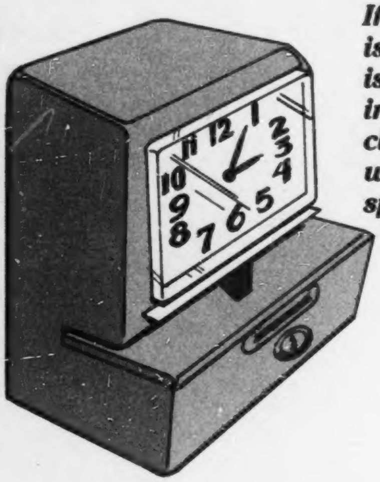


If the service department is not using a time clock, it is imperative that one be installed. Without a time clock there is no accurate way to account for times spent on assignments or to accumulate the necessary quantitative information.

Time *...continued*

The service department must commit to charging all work out on a flat rate basis. Flat rates published by the specific manufacturer are a good start. However, not all published flat rates are acceptable to the dealership.

If the dealer does alter published flat rates, it is important that there be consistency. Dealers who establish their own flat rates must use them consistently. If deviations occur, then accurate efficiency rates cannot be established.

It might be noted that flat rates are generally set to include the technician taking the time to look up required parts for a repair and writing a parts requisition, but *do not* include the technician actually picking or retrieving the parts.

Straight time vs. flat rate time

A service management survey conducted revealed that more than 66 percent of the service departments charged their customers actual times on the job. Only 13 percent of the service departments billed on flat rate. Using this information as a benchmark, suppose a conscientious dealer sends service technicians to the manufacturer's schools, purchases new special tools and upgrades the service department to make technicians more efficient. If the service department continues to bill out straight time, the department is actually penalizing itself for making the technicians more efficient.

This penalty comes in the form of the technicians completing the repairs quicker (in many cases faster than flat rate), and the customer receiving what amounts to a discount in his bill.

Typically, to cover these rising costs, most dealers will raise their labor rates. This could put them in a strained competitive situation depending on neighboring service shop retail labor rates.

A more realistic way to cover these costs is to increase billing efficiency to customers. This gives the customers the same retail labor rate as before (even though their bills might be higher), yet benefits the dealer by his ability to charge out more time. This is what the dollars and cents aspect is all about in a time accountability system: increasing billing efficiency.

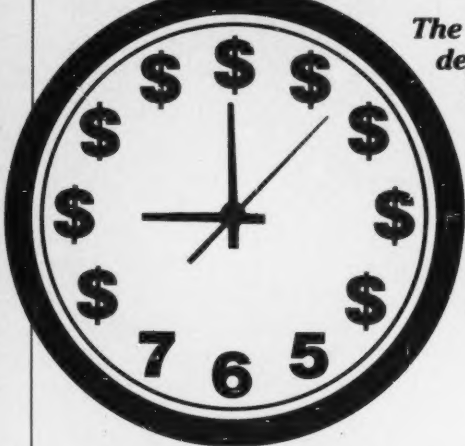
Conversely, continuing to bill out straight time gives the service technician no incentive to hustle on the job. If the technician is paid on flat rate hours billed, he is given the opportunity to actually be paid for more hours than he works.

continued...

Technicians clock in and out on each job

	Avg. Total	0-$100 volume	$101-500 volume	$501-1,000 volume	$1,000 + volume
Yes	62%	58%	69%	33%	60%
No	38%	42%	31%	67%	40%

Based on responses from 90 servicing dealerships



The one commodity service departments have to sell is time. Too often service technicians perform labor (time) that is not captured or billed. If time spent on a job is not captured and billed, the department has lost money.

Time ...*continued*

Efficiencies

Several efficiency measures are used in a time accountability system. These measures are quantitative and arrived at through accurate time capturing, these efficiencies deal strictly with time, making it easier to understand and use instead of applying elaborate monetary accounting measures designed by cost accountants with sophisticated industrial engineering criteria. These time efficiencies are described as:

•**billing efficiency**—A percentage of flat rate hours billed vs. actual time working on the job, including delays;

•**technician efficiency**—A percentage of the time the technician was physically present at the dealership vs. the time he was actually working in the service department;

•**working efficiency**—This is a "what-if" percentage. A percentage of flat rate hours billed vs. actual time on the job *not* including delays. This answers the question: What if all encumbrances that the technician faces due to the inefficiencies of the service department were removed, how efficient would the technician be?

•**facility efficiency**—This efficiency would be used in the case where the service department hours were longer than the actual average time technicians worked. It is the comparison of the hours the service department is open vs. the hours technicians work.

Using efficiencies for technicians gives the manager a solid quantitative grasp of how the technicians, and ultimately the service department, perform. In the competitive marketplace of today, hunches and guesswork do not make for good managerial tools. It is imperative that efficiencies are used to give the managers of small dealerships a pulse on what is truly happening in the service department.

Once a service department is on a time accountability system, and efficiency rates have been established, it is comparatively easy to establish a flat rate for some new service jobs not yet published by the manufacturer.

By using the established billing efficiency for a technician, interpolating the actual time on the job into a flat rate is simple. For example, if a technician is working at a billing efficiency of 110 percent, and the technician completes the new job in four hours, the new flat rate would be set at 10 percent more or 4.44 hours.

If the technician is working at an efficiency of 95 percent, then the flat rate would be 5 percent less of actual time. It is quite easy to see that if the technicians are working at less than a 100 percent billing efficiency rate, each job would be essentially discounted. Consequently, technicians must be working at a 100 percent efficiency rate before a complete time accountability billing system is used.

Type of billing to customers

	Avg. Total	0-$100 volume	$101-500 volume	$501-1,000 volume	$1,000+ volume
Actual time	66%	76%	71%	89%	20%
Flat rate	13%	12%	24%	33%	40%
Estimated time	8%	12%	.5%	11%	80%

Based on responses from 90 servicing dealerships
Percentages above 100 percent indicate multiple responses

Non-flat rated repairs

Some jobs cannot be flat rated. These might include work on the service truck, maintenance or delivery equipment. If, however, a job is going to be performed on a regular basis, a flat rate should be established. The more flat rates established, the more accurate quantitative information can be obtained. Again, consistency must be a key element in setting new flat rates.

Sometimes repair work, which normally can be flat rated, is in such a condition that achieving the flat rate would be impossible. This might mean a customer has started a job himself, and the item is partially disassembled (a so called basket case).

Perhaps a unit is so rusted that it is obvious that this will impair the technician from completing the work in flat-rate time. If a situation of this arises and is so designated by the manager, the extended measurement system is used. Using this system, the actual time on the job is used, but the technician's billing efficiency percentage above or below 100 percent is added to or subtracted from the final bill.

Using this extended measurement system does not penalize a technician who is working above the 100 percent billing efficiency even if this job exceeds established flat rates.

Accounting

Service work performed, including internal labor, must always be charged out at the full retail labor price. Work such as set-up of new equipment must be charged against the sales department at the full retail labor rate. This dollar amount then must be added to the price of this piece of equipment when making the sales deal with the customer.

A typical example of loss of revenue is the service technician's washing and waxing the fleet vehicles. If actual time is tracked on this type of internal labor, it would clearly show it is less expensive to have this type of work done outside of the dealership because of loss time available to bill at a retail level. If time is now viewed as a commodity just like wholegoods, it is easier to understand that discounted labor rate charging cannot be done. If the dealership does not

continued...

Technician's pay

	0-$100 volume	$101-500 volume	$501-1,000 volume	$1,000 + volume
Hourly wage	76%	88%	89%	80%
Salary	24%	10%	11%	0%
Flat rate billed	0%	2%	0%	0%
% of retail labor	0	0	0	20%
Average hourly wage	$6.33	$7.22	$7.32	$8.56

Based on responses from 90 servicing dealerships

Time *...continued*

want this type of information entering into its accounting practices, it can continue, keeping separate time and profit records for the service department. But it is important that the information obtained in a time accountability system is used to adjust each department accordingly when critical managerial decisions are made.

Of the dealers surveyed, 64 percent charged out internal work to other departments and 76 percent of these charged out at the full retail labor rate. However, 69 percent of the dealers making these full retail labor charge outs have retail sales of more than $500,000. This indicates that the larger the retail volume, the better internal controls a dealership has.

Time recaps and efficiencies must be tracked on a weekly and monthly basis. Efficiencies that are used for the extended measurement system or establishing new flat rates can be updated weekly or monthly depending how the dealership wants to handle this.

These efficiencies are also used for the performance criteria already established. However, due to work fluctuations and the seasonality of some dealerships, it is recommended that no less than monthly updating be done.

Monthly time recap

A monthly summary of each technician's efficiency and time is needed to track performance. This recap should take the totals already calculated from the weekly recap and transfer them to the monthly recap. This recap provides monthly efficiency for each technician, giving the manager a more realistic idea of how the technicians are performing. This recap also can be used to flag possible trouble spots.

Managerial and other decisions

Once a time accountability system is established in a service department, and has run for a period of time, valuable managerial decisions can be made. Minimizing delays should be the primary interest in fine tuning a service department.

If there are exorbitant delays with the technicians waiting on parts, a revised-parts procedure must take place. This might be in the form of hiring a separate minimum wage individual to submit and retrieve parts for each technician. This individual's wages would be charged to service (cost of service); but if technicians are losing valuable retail labor rate time, the costs would more than offset the additional wages.

And this individual could also be used for another typical delay: staging.

A lot of time is lost due to technicians retrieving machines out of storage for service work. If this delay is high for the service department, this separate individual could be used for double duty: parts retrieving and equipment staging. This is a case where hiring an additional man can save the dealership money.

If technicians have a high delay time waiting for instructions on each job, the manager must better schedule the work ahead of time for each technician. Once delays are identified, they can be trimmed considerably to increase time available to bill.

Work leveling is another very useful purpose of this system. If the geographical climate dictates large seasonal work fluctuations, off-season promotions can be used. By obtaining historical time data, promotions can now be proactive instead of reactive. In this manner, the service department can be busy all year long with pre-planning of service promotions, thus, reducing the need for employee layoffs and subsequently increasing shop profits.

Realistic profit and loss statements for the service department are an important tool in making decisions. Having realistic profit and loss information will result in more qualified decisions in many areas including:

- •increasing service facility capacity;
- •purchasing new tools and specialized equipment for the shop;
- •hiring more technicians;
- •sending more technicians to schools; and
- •the ability to pay technicians more competitive wages drawing better qualified technicians.

All of this increases shop efficiency, shop profits and a good service department image.

If a time accountability system is integrated into the existing paperwork flow, it is not unusual to expect an additional paperwork load of about 15 to 30 minutes a day. Initially the time requirements are much greater until the bugs are worked out, but the benefits vs. initial time costs are well worth the investment.

Time accountability for success

A service department time accountability system is simply a managerial tool. A system of this nature will not solve any problems by itself. It does allow managers to look more realistically at their service departments, and review the flags that are presented. Acting upon these flags is the key to success.

Employee involvement

In the process of setting up a service department time accountability system, it is imperative that service technicians and management are involved in this critical decision-making process. Not only will the input be valuable, but with decisions mutually arrived at, it is more likely that the technicans will understand the intent and purpose of the system.

A time accountability system relies heavily on cooperation between management and technicians. Technicians who understand the system will find it as invaluable to them as to the dealership.

If the system is not understood by all employees involved, it is unlikely positive results will prevail. If the information is not accurately obtained and recorded, the time spent on the system will be wasted. The key word for success is commitment. Without this commitment from the management, this system will not succeed. **—LGM**

Mark R. Hinrichsen has a degree from Western Illinois Univ. in industrial technology. With a recently completed master's thesis on service department time management, he will obtain his master's degree in business management.

Hinrichsen was employed for 11 years as a consumer products field service manager for a major agricultural and consumer products manufacturer. As a field service manager, he has dealt directly with more than 100 lawn and garden service departments in service management where many of these time management concepts have been developed.

Power Equipment Report

State survey reports average repair rates

A wage and hour survey by the Pennsylvania Farm and Power Equipment Assn. reported that lawn and garden dealers participating had an average shop rate of $19.79.

The association surveyed dealers to inquire about hourly rates for a variety of services including estimates, engine repairs, blade and chain sharpening, tire repair and battery maintenance.

Average repair rates

Engine tune-up	$34.47
Spark plug installation	8.50
Recoil starter repair	15.00
Rotary blade sharpening	4.00
Battery service	4.55

Source: Pennsylvania Farm and Power Equipment Assn.

Lawn and garden dealers reported an average $8.78 minimum charge. A visual estimate averaged $12.57, while an estimate requiring tear down averaged $15.38.

An engine tune-up had an average cost of $34.47 according to dealers in the survey.

On the averge, dealers responding to the survey reported the cost for servicing batteries with acid and a charge was about $4.55.

Dealers reported a $27 per month average charge for pick-up service and winter storage of mowers.

The charge for pressure cleaning mowers averaged $10.17, while for riding tractors it was $11.91.

The average amount allowed for junk riders was $75 while junk walk-behind mowers were allowed $15.

Pick-up and delivery of walk-behind mowers for service cost $14.88 on the average, and the charge for riding mowers was $15.90. Mileage is also sometimes the basis for pick-up and delivery charges.

Dealers were also asked the amounts they charged for services such as straightening crankshafts, checking ignition coils, repairing recoil starters, blade sharpening, chain sharpening, tire repairs and welding.

The data was based on responses from 55 outdoor power equipment dealers in Pennsylvania to a survey by the Pennsylvania Farm & Power Equipment Assn. In addition, 98 ag and industrial dealers participated in the survey, but those answers are not included in these results.

Briggs & Stratton, Kohler settle lawsuit out of court

Briggs & Stratton Corp., Milwaukee, and Kohler Co., Kohler, Wis., have reached an agreement to settle an antitrust suit brought last year by Kohler against B&S. The suit concerned aftermarket distribution of air-cooled gasoline engines, parts and service.

Pursuant to the settlement Kohler has agreed to dismiss the lawsuit and will receive no payment for damages.

Briggs & Stratton has agreed that, for the five-year term of the agreement, it will not require, demand or coerce central distributors it shares with Kohler to drop the Kohler line or set up separate facilities for B&S engines.

Briggs & Stratton may express a preference for single-line distribution or separate facilities but may not terminate its relationships with distributors if distributors choose not to do so.

"In the face of ever increasing competition, we are attempting to upgrade our aftermarket service organization, even though we believe it to be already the best in the industry. Where it has been appropriate, we have advocated that certain of our central service distributors devote more time and attention to our line of engines by becoming exclusive Briggs & Stratton distributors or setting up separate facilities to handle our products," says Frederick P. Stratton Jr.

"Kohler Co. believes it is most important for our central distributors to retain their freedom of choice to conduct business activities," a Kohler spokesman said. "This agreement provides the basis for our central distributors to make those choices and to represent both Kohler and Briggs & Stratton if they so choose."

Briefs

- O. Clark Rutledge has been appointed vice president of purchasing for Murray Ohio Mfg. Co., Brentwood, Tenn.

- Thomas L. Boscher has been promoted to the new position of manager, market development/accessories for Echo Inc., Northbrook, Ill. In his new position, Boscher will be in charge of the development of accessories to supplement the outdoor power equipment line.

- The board of directors of McCulloch Corp., Los Angeles, has elected Robert B. Senn president and chief executive officer. The position was held by Donald V. Marchese who, due to illness, has relinquished his day-to-day responsibilities. Marchese will hold the post of vice chairman of the board. William J. Gamble has also been promoted to the newly created position of executive vice president-sales and marketing North America.

- The 1987 line of Sycamore brand power mowers was previewed at the annual sales meeting of Falls Products Inc., Genoa, Ill. A review of the mower industry, current market conditions and new mower models was conducted. Louda & Associates was presented with the company's sales achievement award.

- Thirty-eight college students from across the United States attended a college student seminar at Jacobsen Division of Textron Inc., Racine, Wis. The students are studying turfgrass maintenance and management or related fields. During the five-day seminar, students learned about engine and machine maintenance, management, equipment selection, hydraulics, budgeting, financing and leasing, the future of municipality turf management, sports turf management, and scheduling of golf course personnel and equipment.

- Kenneth H. Dellemann has been appointed vice president, manufacturing, Engine Division of Briggs & Stratton Corp., Milwaukee.

OPEI delays leaf blower legislation

In early June, the Los Angeles City Council recommended an ordinance prohibiting the use of gasoline-powered leaf blowers in residential areas in their jurisdiction.

The Outdoor Power Equipment Institute coordinating with member companies and with a California style lobbyist successfully headed off immediate action, winning a reprieve. The action was put back in committee with a directive to work with industry representatives and other groups. The committee was sheduled to report back to the council in hearings on Aug. 12.

The OPEI board of directors authorized its staff to continue work with the lobbyist and manufacturers to come up with alternatives for the potential ban of these products also up for consideration at the California state level.

Alternatives currently under review include limiting time-frames for operating leaf blowers, and developing an engineering standard, acceptable to the industry, for inclusion in compromise legislation.

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Lawn&Garden Marketing

OCTOBER 1986

Reports on: Expo 86 highlights

NHS recap • NESDA survey results

New Products
Starter Fertilizer
SEED & SOD STARTER
Weather M

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Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products.

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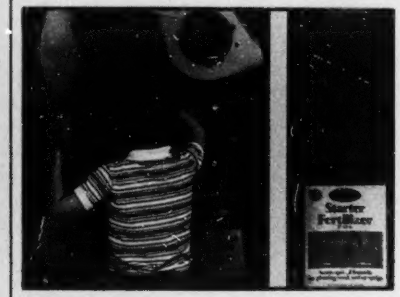
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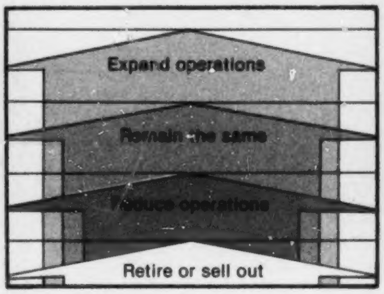

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Window Shopping
This guide to new products highlights some examples of the hundreds of items introduced to the trade this year and includes many of those shown for the first time at the Louisville Expo and the Chicago NHS. Seven categories of products are featured beginning here .... page 6

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Chicago NHS
Exhibits, a moving keynote address and a seminar on merchandising wildlife and Christmas products through lawn and garden stores were all part of the 1986 event .... page 54

Innovations, fun abound at Expo 86
A wide selection of seminars, exhibits and some foot-stomping, down-home entertainment kept July Expo visitors busy in Louisville. Some highlights appear .... page 62

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Power Equipment Report

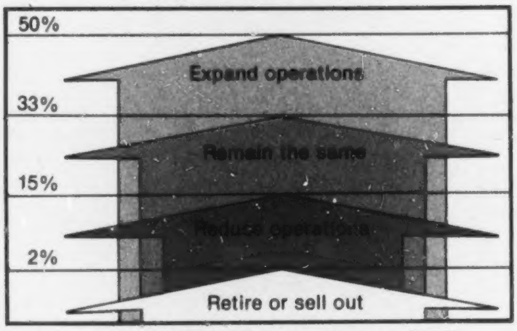
Servicing dealers say living adequate, not good

A significant number of respondents to the third part of the National Equipment-Servicing Dealers Assn. demographic survey do not feel that they are making a good living as a servicing dealer in the outdoor power equipment industry. Based on the time and investment they make in their dealership, 41 percent said their living is adequate but not good.

"Essentially, they said that they're unhappy—not with their living—but with the amount of hours that they put into making that living," says Norm Beck, NESDA executive director. Most dealers said their businesses are open an average of 56 hours a week.

"For the amount of money they're making, they're working too hard. But they're happy doing what they're doing and wouldn't switch. They're independent business people and don't want to work for someone else."

Servicing dealers' plans over the next 3-5 years



Source: NESDA 1986 demographic survey, Part III.

Beck says that he thinks this information may be part of a future trend in the industry. "When looking at people wanting to come into the business, they don't want to work at a job where the work is not commensurate with the salaries.

"They can earn two and three times as much doing other things....This business is limited; they only have two hands and can only produce so much. They can make more elsewhere."

Though many of the more than 200 respondents are unhappy with their living, more than 70 percent reported making a net profit in the last three years. Only 28 percent said they did not make a net profit in 1983; 19 percent in 1984; and 14 percent in 1985.

Briefs

•The Jacobsen division of Textron Inc., Racine, Wis., has named several people to upper management positions. Anthony J. Saiia has been named vice president of engineering. Earl M. Klepel has been named vice president of manufacturing and Robert E. Krick has been appointed product manager.

•Power Lawn Mower Parts Inc., Rochester, N.Y., has completed a $3.5 million, 60,000 sq. ft. expansion of its warehouse, manufacturing plant and office. The company also is celebrating its silver annniversary, which began in August with an open house and tours of its new addition. The expanded facilities include new offices for a staff of 110 people. To speed the filling of orders, a computerized, narrow aisle, zone picking, high cube material handling system has been installed. A new computer system for order entry, billing, order filling and inventory control also was added.

•The Portable Power Equipment Manufacturer's Assn. elected its officers for the fiscal year 1987. Chairman of the board is Carl Mikovich, president of Beaird Poulan/Weed Eater; vice chairman is Alan Levanson, vice president of Homelite Division, Textron Inc.; and secretary/treasurer is Donald Bartelt, senior vice president of Echo Inc.

•In a gesture of community relations, Homelite, Charlotte, N.C., worked with Gaston County, N.C., Agricultural Extension Center, to transfer hay free of charge to local Carolina farmers. Homelite trucks delivering outdoor power equipment through farm belt areas where hay was available backloaded all the hay they could carry to offer relief to farmers during the worst drought in the Carolina history.

•Briggs & Stratton awarded Steve Vecchio, OEM rep for Spencer Engine Inc. in Tampa, Fla., "Representative of the Year" recently. The Golden Piston is an award presented annually by Briggs & Stratton's Industrial Division during its annual sales meeting in Milwaukee.

•The Toro Co. of Minneapolis presented Smith Turf and Irrigation Co. (STI) of Charlotte, N.C., with its award for the best servicing distributor of 1986. The "Mr. Service" award cites STI for the excellence of its overall performance in equipment service, product set-up, mobile service, customer education and service facilities.

•Deutz-Allis Corp., Milwaukee, has laid ambitious plans to double its lawn and garden equipment sales in the next three years and to increase its dealer network by 25 percent. The company's growth plans, as well as several innovative new lawn and garden tractors, were unveiled to Deutz-Allis region and district sales managers at a two-day sales meeting in early September and included some aggressive marketing and advertising support plans.

Efforts to ban blowers in L.A. stopped

Efforts to ban gas-powered blowers in Los Angeles have been curtailed—at least for now—thanks to the help of many industry representatives. Some L.A. city residents were trying to have the blowers banned there because of noise.

The Outdoor Power Equipment Institute was able to head off immediate action by coordinating with member companies and a California-style lobbyist to win a reprieve until Aug. 12. (See Power Equipment Report, September 1986.)

In an Aug. 7 letter of protest on behalf of the Portable Power Equipment Manufacturer's Assn., president Don Purcell urged the L.A. city council not to consider the measure, stating the benefits of the tool and stressing that lack of common sense and common courtesy by blower users are as much at fault as blowers' noisy construction.

In a special report submitted the same date to the council by Robin Pendergrast, Robin F. Pendergrast Marketing Services, the importance of blowers was summed up: "This now important and versatile portable power tool should not be banned but rather its use, as with other types of portable power equipment, should be regulated and reasonable noise levels should be established to ensure that the product can continue to be used with due respect for the peace and quiet of residential neighborhoods."

Though blowers won out in this L.A. battle, similar action to ban them already has been taken in Phoenix, Ariz., and Salt Lake City.